DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 4, 1937.

The first session of the new year, following three holidays, started without much excitement. Judging from the headlines on our newspapers, during this period one would have imagined that moderate war scare might be created. The fighting in Spain continues with various nations taking sides with one or the other of the belligerents, which might afford an excuse for complications. However, Broomhall in his foreign gossip does not even mention the political situation as having been a factor abroad; and the consensus still is that the desire for peace is so great that no war will result among the greater nations of Europe, but a good deal of bluffing will continue in the hope that some of the parties might get concessions one way or another later in exchange for the promise of maintaining peace.

Liverpool after opening fairly strong on their wheat futures later lost the advance and prices declined 1/4 to 5/8¢ per bu on the various trading months. It was generally reported that the demand was less active and some phenomenal crop outturns were reported from the Argentine, leading us to believe that final results in the Southern Hemisphere might turn out better than originally estimated. It is assumed, however, that since the holidays are over now a more active demand will make its appearance again before long, as there is no change in the view that the requirements of importing nations will be very substantial. This particularly so as we are strongly of the belief that Germany will be compelled to acquire quite fair quantities of wheat.

We quote from The Economist of London, dated December 19, as follows, dealing with German conditions:

> "An attempt is being made to divert consumption from scarce and mostly high-value foods to relatively plentiful and low-value foods. The public is advised to consume more potatoes, sugar and fish, and less beef, bacon, butter and other fats. The winter cereals report for December 1st is unsatisfactory. The index of 'condition' is much behind that of the same date of 1935 (rye being worst). It seems that Germany will have to resume the importation of wheat since the quantity available is below the normal demand of the mills. Owing to the meat shortage, consumption of wheat in the months of the crops year which have already elapsed was higher than usual. It is unofficially reported that measures to ensure imports are already under way. In the southeastern European markets, where, in accord with the principles of the New Plan, Germany would prefer to buy, competition from other wheat-importing countries would have to be met. It is therefore expected that Canada will supply the deficit."

30 March 1983

World shipments of wheat this week were 10,605,000 bu compared with only 5,628,000 bu similar week last season, showing the aggresiveness on part of European consumers; and there is no indication that this will change --in fact, the opinion prevails that as the home supplies have been pretty well absorbed, the surplus of exporting nations will easily be taken care of.

As far as our market is concerned, after a fairly strong opening, prices declined, and it was generally assumed that there was heavy liquidation on part of those who had big profits during the past month, when prices advanced so much, and preferred to realize on same this year instead of last, delaying payment of income tax.

Primary receipts of wheat continue to be quite large --899,000 bu and although this was for three days compared with only two days last year when they were 453,000 bu, the movement still continues to be heavier than was anticipated. It is the old experience and a repetitio of wheat happened in former years, that when prices are high and temptation is great for the farmer to scrape his bins, it takes a long time before a real scarcity is felt on account of poor crops.

(O V E R)

We believe the farmer also is very pleased with the outlook of the new crop; weather conditions for the last three days have been quite favorable --light to moderate precipitation has been general over all the district except southwestern Kansas and the Texas Panhandle, moisture being mostly in the form of snow in the western section, which must be construed as quite favorable.

Nevertheless new-crop futures are more than holding their own; this, of course, entirely in sympathy with the high prices existing for the old crop, but we still believe that the picture will change completely during harvest time next July. In the meantime the visible supply continues to decrease, the reduction this week being 1,136,000 bu, which is smaller than that of last year similar day, when the decrease amounted to 1,587,000 bu. The total is still 13 million bu less than it was in 1936. We are under the impression that these decreases will keep up for almost six months, and that finally the carryover of old wheat in all positions will be extremely small.

At the close the market showed an advance of 1/2¢ per bu forthe main future --May. At times wheat derived great strength from surrounding pits, as corn, oats, and rye also made a very good showing, particularly the first one.

Primary receipts of corn for three days were only 565,000 bu versus 600,000 bu for two days a year ago. The advance was quite considerable, especially in the May, same gaining 2 1/4¢ per bu compared with last Thursday's final figures.

The visible supply in oats also continues to decrease, the loss this week being 1,131,000 bu. We think this cereal appears cheap compared with the others.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 5, 1937.

Very weak cables before our session opened today were quite a surprise to the trade. The Spanish situation is still very closely watched here and reports in our newspapers and over the radio would lead one to believe that there is at least moderate danger of a conflict between the various great nations. In former times a situation such as this created an enormous speculative buying furore, but foreign markets remain absolutely indifferent, ignore this specter entirely, and at the close Liverpool futures had declined 2 1/8 to 2 5/8¢ per bu compared with yesterday.

The weakness abroad was brought about entirely through the Argentine situation. That country's season is about six months different from ours and corresponds to our period of July 5th. Usually at this time the nearness of the crop movement here on a large scale has its bearish effect, particularly so when the price is tempting and when the farmer is an anxious seller, the amount of wheat offered might be more pressing than the trade can absorb. Furthermore some phenomenal yields are indicated for the Argentine so that in all probability estimates on the final outturn will be raised later on. The continental buyers seem to have temporarily withdrawn, and we are, therefore, likely to enter a period when for the time being offerings might be larger than consumers can absorb. This, however, does not change the picture altogether, as in any case we know that the European consumption is bound to be very large and not many countries are in a position to furnish great quantities to supply all needs.

So far world shipments for the past five months have been 240 million bu, of which Canada furnished 50 per cent. This is at the annual rate of 575 million bu, and it is only fair to assume that the demand during the last seven months will be proportionately greater than for the first five months when importations abroad had to compete with home grown wheat, and little at this time can be bought at home as farmers' holdings certainly have been reduced to very small proportions.

Inasmuch as the balance of Canadian wheat remaining for export and carryover on August 1st this year is estimated by Sanford Evans as only 138 million bu compared with 283 million bu last year, there certainly will be no extensive pressure from that source, particularly as the United States will continue to take part of these available stocks. When we consider that Canada on August 1st last year had 128 million bu, of wheat left and now almost seven months away from their new crop year only 138 million bu, certainly the larger Argentine crop might be a godsend to prevent any too great tightness.

The United States alone from July 1st to December 19th, or in a little more than 5 1/2 months, imported 22,539,000 bu for home consumption, and we see no reason why these importations should not continue.

Our own market naturally opened considerably lower in sympathy with the foreign cables, but in addition our weather forecaster claims that indications are for snows over the Northwest and Central West tonight and Wednesday, and also over the Southwest late Wednesday or Thursday. The official weatherman confirms the probabilities of snows tonight and Wednesday for Nebraska, but is not quite as positive for Kansas although he foresees the possibility of snow in the North. In the meantime farmers in the Southwest seem to be well satisfied with prospects, and in a number of replies to our inquiries the responses from dealers are very favorable. Many predict the best outlook in four or five years. One very reliable concern from Texas thinks that 4 million acres alone could produce 15 bu per acre, or 60 million bu in that state, which would compare with about 17 million bu last year. In addition there would be another million acres left which are not so promising but which would produce something. Considering that the lowest yield per acre during the last ten years was

12.4 bu per acre, and assuming that the winter killing would amount to 7 million acres, there would still be standing 50 million acres, and the lowest yield in 10 years would produce 620 million bu; so even with a larger amount of winter killing, and as in all probability we shall not have the worst crop, 600 million bu of wheat is almost a minimum. Therefore, with the increased spring wheat acreage which is in sight on account of the high price, the total United States wheat crop should be something entirely different from what it was during the past season. We, therefore, feel that July wheat and September wheat are selling at extremely high prices under normal conditions, and if so, when the proper time comes we may see the same amount of pressure as is now being felt in the Argentine.

The most striking feature in the winter wheat acreage has taken place in Iowa where last year there was seeded only 430,000 acres and this year 989,000 acres, or almost double, so that this state might produce a crop such as has never been known in its history, or at least not in recent years.

Primary receipts were extremely light --only 195,000 bu versus 272,000 bu a year ago; possibly the holidays had something to do with it, and it is not quite safe to figure that they will continue at this exceedingly small rate. However, no attention was paid to statistics today anyhow, after the market once started to decline liquidation followed, the market having been very much overbought and no shorts were at hand to stem the tide.

At the close there was a decline of 2 7/8¢ per bu in the main future --May.

Corn, oats, and rye all sympathised with the decline in wheat, but the break in oats was very small. Chicago receipts of oats were only 9 cars, and stocks are decreasing right along.

As far as corn is concerned, the very high price attracts much larger offerings from the country, and large quantities were booked for this market. So we may anticipate heavier receipts before very long.

In all probability today's wheat decline was somewhat overdone, but when a movement once starts it is impossible to predict how far it will go before a turn comes. It is well, however, to remember that under no circumstances can there be any great pressure from farmers' heavy sales, and that our visible supply will continue to decrease.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 6, 1937.

The official November grain imports into the United States were given to the trade today, and are as follows:

Wheat	4,526,000 bu
Corn	6,263,000 "
oats	47,014 "
Rye	880,427,"
Barley	1,836,303 "

The exports which have to be deducted were --wheat and flour 1,234,000 bu, and the trifling amount of 196,000 bu of barley.

It will, therefore, remain just as important as ever for us to watch foreign markets, and the only difference between the present and previous periods is this --that formerly it became important to see at what prices we could sell them our surplus, and now we have to watch how cheaply we can buy foreign cereals. Both the size and quantities available, as well as the prices, naturally affect our domestic situation. We do not think there will be any fundamental change between now and the new crop harvest, and we shall remain dependent upon foreign importations both for our human as well as our animal consumption.

The Liverpool market following its decline of yesterday was again lower and the various futures sold from 7/8 to 2 1/8¢ per bu less than the previous close. The cause for this reversal in sentiment abroad is not difficult to explain. Argentina is offering her new wheat at considerable reductions and it is nothing unusual for this time of the year when the new crop is being harvested, to have this extra pressure on the market. It was assumed at one time that this season might be an exception as unusually large quantities had previously been purchased by Italy, but it seems the continental countries have at least temporarily supplied their needs and are at the moment abstaining from new buying commitments.

The political situation abroad is only a very small influence at the present time, the consensus still being that whatever complications exist at the present time they will probably be adjusted without a major war.

On the other hand more and more attention is being paid to the new crop outlook, and the weather is being studied with the utmost care. For a time there was great apprehension that Canada had suffered so much from the drouth last year and is lacking in subsoil moisture, that they might have a repetition of the sad experience this year. However, the December precipitation was quite favorable, while the normal for this month is 0.61 inches. This season it amounted to 0.95 inches, and compares with 0.59 in 1935. This brings the Fall precipitation from Sept. 1st to Dec. 1st to almost normal, which is 3.49 inches, and this season amounts to 3.34 inches.

In the Southwest conditions have also greatly improved; and inasmuch as Kansas has sown 30 per cent of the whole winter wheat acreage, that state is more important than any other. Today the official reports from Kansas state that the average rainfall during the month of December last was more than four times as much as in December 1935. Of course while this is encouraging, we must not forget that last year the rainfall was next to nothing, and even this year the total amounted to only 1 1/8 inch.

Our own weather forecaster is very optimistic that during the next 48 hours there will be considerable precipitation over much of the winter wheat territory including the Southwest. In fact, it is snowing now in several places, but, of course, it is too early to determine the amount of precipitation. Should it be considerable, it will become a very important factor for the course of wheat prices for new-crop deliveries, and possibly the outlook for prices on the old and new crop will have to be entirely divorced. This on the assumption

(O V E R)

that a possibility exists that from an extremely short crop there might be an over-abundance which would change everything when the new wheat starts to move. This on account of increased acreages which were sown in the winter wheat belt and which might be repeated in the spring wheat territory.

Domestically the panicky feeling which had prevailed yesterday subsided today, and at times our wheat market established fair advances. It was helped a great deal by reports of very cold weather in parts of the Southwest, but we do not consider the temperature at this time of the year as being at all serious. We are not afraid that much damage is likely to be caused through this condition. It is true, there is hardly any snow covering at the present time, but on the other hand we do not think the plant has progressed sufficiently for any great harm to be done to it. Nevertheless this apprehension caused a narrowing between May and July wheat, as a great many traders who had made that spread the other way were trying to realize profits. We, however, have not changed our mind that while great possibilities still exist for May wheat, we do not see much hope for gains in the buying of July and September wheat unless another disaster should come about; and this is not in sight at present.

As far as the old wheat is concerned, one should keep in mind that during the crop year 1936-37 consumption ought to be simply enormous. To start with, we have an increasing population, great prosperity, and with the high price of corn wheat feeding to animals must take place on a large scale. Cash corn at Kansas City is selling at practically $1.15 to $1.20, so it will be much cheaper for the farmer in interior points of Kansas to feed wheat than to buy corn from terminal points.

Primary receipts of wheat remain light --274,000 bu versus 263,000 bu a year ago. Stocks at Kansas City so far this week decreased 253,000 bu.

At the close our May wheat showed a decline of 1¢ per bu, and July unchanged compared with yesterday.

The high price for corn is bringing about increased offerings; there were at least 100,000 bu of corn sold from interior points to come to Chicago. The demand for this cereal from the East is very light owing to the large importations at lower prices than corn could be obtained here.

Oats closed higher in spite of the decline in corn, but receipts continue light, and stocks are decreasing right along.

Rye closed a trifle lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 7, 1937.

There was a sudden change in sentiment overnight caused by the extremely strong cables from Liverpool, where futures advanced 2 5/8 to 3¢ per bu. The facts that Italy has reappeared as a buyer in the Argentine, that Japan was inquiring for cargoes in Australia, and rumors that Germany was negotiating for credits to buy foodstuffs, were all very constructive. Supply and demand are so closely adjusted this year that the appearance of an unexpected new buyer causes consternation among English millers, who have not over-supplied themselves and who need practically 4 1/2 million bu of wheat or flour weekly. Under these circumstances the fact that the outlook is favorable for larger yields in Argentina than were previously estimated was ignored. We may look forward to similar occurrences as happened today, and fair-sized fluctuations up or down are likely to be quite frequent.

The present price for old wheat already represents a moderate scarcity, and, if for any reason whatsoever the demand drops off for a couple of days, there is some hesitancy and fear on part of longs that they might overstay their market; but if on the contrary a sudden demand develops it is found that cash sellers are very independent and they rather have the best of it in the situation at the present time. We do not look for any heavy pressure for the balance of the crop-year on old wheat, and recessions might be taken advantage of for accumulations. This particularly so,as receipts in the United States continue to be extremely light, with no chance of any decided change until the new crop moves.

Today's primary receipts were only 215,000 bu compared with 353,000 bu last year. Shipments were actually larger, 265,000 bu, and stocks at terminal points continue to decrease; Kansas City showing a decrease so far this week of 361,000 bu. In conclusion we feel that finally stocks at the end of the season will be so low that high prices will continue to prevail, but yet all needs will be satisfied; and the important thing to watch from now on is the new crop outlook.

There has been almost a complex among some traders who could not imagine after three or four years of disappointing crops that the United States, with all its fertile soil, would again produce a normal or large crop. Some thought atmospheric conditions had permanently changed; others had various theories on soil erosion, etc., but we ourselves always consider the last poor crops as being exceptions, and that nothing has inherently changed. In fact, according to the law of averages, good crops are due now. The oldest weather observatory in Greenwich, England, according to its records, show that there has been no material change in the average weather for 150 years or more, but that, then, as now, every year is different from the other. Weather predictions are now for snows or rains over most of the western territory where it is badly needed, and if these should materialize the prospects for the winter wheat crop, on the tremendously increased acreage, will be quite different from what they were a year ago. Should we produce a crop of 900 million bu winter and spring wheat combined, which is quite likely, and which is still considerably less than our Secretary of Agriculture thought a possibility, we believe July and September wheat will appear very high when the crop once starts to move in earnest.

At the close our main future --May-- showed an advance of 1 3/4¢ per bu compared with yesterday.

Corn, oats, and rye all advanced in sympathy with the sister cereal. Corn receipts are somewhat on the increase, farmers being more anxious sellers at the advanced levels; total primary receipts were 552,000 bu compared with only 295,000 bu last week. Oats receipts are almost as light as we have ever seen them, demand is fair and stocks are decreasing right along. We think this cereal will sell still higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 8, 1937.

The crop expert, Mr. R. O.Cromwell, of Lamson Bros., estimates wheat reserves on farms, as of January 1st, 1937, at 140 million bu compared with 164 million bu last year and 138 million bu on January 1st,1935. We consider this as rather bullish from every point of view, if confirmed by the Government. From our own reports we might be inclined to think that this estimate is conservative, We ourselves would have guessed that the reserves would be still less. However, with a crop of 626 million bu, plus a carryover on farms of 43 million bu on July 1st, 1936, the very large disappearance of 529 million bu in 6 months is very significant. It is very seldom that less than 5 per cent of the crop remains unshipped by July 1st, the following year. While probably this season farmers will sell more than the usual per cent on account of the high price, there are always some who will not dispose of their last bushel. This disappearance,of course, includes the amount used for seed in the winter wheat belt, which was very large, but from the 140 million bu which are now left on farms about 25 million bu may also be needed for seeding the spring wheat crop, leaving very little for marketing. This particularly so, as the new spring wheat crop in the Northwest will not be available until August or September, and therefore some of the spring wheat is held for emergencies or possibly a bad crop.

It is, therefore, quite evident that our primary receipts from now on must be extremely light. When it is further taken into consideration that our visible supply stocks are 13 million bu smaller than a year ago, that mills have been very conservative buyers, and that country elevators are probably holding less wheat than usual, with July wheat at such a big discount, the total amount of wheat available on January 1st must certainly be considerably less than last season. It also should never be forgotten that the domestic consumptive demand must be much above normal, due to greater prosperity and a larger amount of wheat feeding to animals. This presents a very strong picture as far as domestic old wheat supplies are concerned, especially when one considers that even last year the visible supply had declined to 21 million bu on July 1st.

The foreign situation also justifies high world prices, but there are more uncertainties regarding the future trend, particularly at the moment. We are just on the eve of a prospective heavy movement from the Argentine; this week's shipments amount to 3,926,000 bu versus 1,076,000 bu in 1936. It is still the consensus that the crop is turning out very well, and final estimates may have to be raised considerably. Also if the price remains high there always exists the possibility that a much larger percentage than usual will be moved during the first six months. However, even at best world supplies will not be over-abundant. The world visible supply on January 2nd was only 215 million bu against 366 million bu the previous year; and the balance remaining for export and carryover in Canada from January 1st this year up to August 1st was estimated to be only 134 million bu compared with 280 million bu last year.

Today's news was a little less encouraging inasmuch as futures at Liverpool had declined 1 1/8¢ per bu. Good snows were also reported in the dry wheat belt, as well as practically everywhere else, but nevertheless, after an early decline the wheat market at times made good recoveries, clearly showing its inherent strength. The fact of the matter is that no matter how bearish the news might be new pressure is bound to remain absent. With the very light movement, the hedges which will have to be taken out of the market will by far exceed any new sales in the pit against cash wheat purchases.

Primary receipts of wheat were only 200,000 bu versus 427,000 a year ago; shipments were very much larger amounting to 368,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week have decreased 465,000 bu; we look forward to a very large decrease in the visible supply on Monday, although it may not be quite as heavy as in 1936, when it decreased 2,332,000 bu.

We feel, however, that no matter how scarce supplies might be at the end of the crop year, if the present outlook is maintained, or if it improves, the situation will be so entirely different next year it will hardly be recognizable. Instead of a crop of 626 million bu, we do not think it would be extravagant to feel that 900 million bu might be harvested. With the acreage in Illinois, Indiana, and Iowa about 1 1/2 million acres more than a year ago, there might be an ad-

(O V E R)

ditional production in these three states of 20 million bu, or more; this will become important as it is largely tributary to Chicago.

At the close our wheat market showed a decline of 1 1/2¢ per bu for the main future --May.

Corn, oats, and rye also weakened in sympathy with wheat. Corn primary receipts were 631,000 bu, which must be considered as large considering the smallness of the crop; but oats receipts were only 71,000 bu, which compares with 204,000 bu last year, and we look for a steady decrease in visible supply stocks.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 9, 1937.

If any further proof would be needed as to the shortage of food for human beings as well as animals, we wish to point out the large importations of meats into the United States during the first eleven months of the past few years:

	1936	1935	1934
Beef & Veal, lbs	91,774,930	79,013,000	40,623,000
Pork, lbs	36,049,484	9,263,010	1,466,000

Needless to say there is no let up in our buying in foreign countries of wheat, corn, barley, rye and other minor cereals. These purchases, furthermore, are not made on a speculative basis nor accumulated here, but as fast as the products are brought into this country they go into consumptive channels as quickly as possible; and as far as grains are concerned, no burdensome stocks have been created. On the contrary the visible supply statements show continued decreases with the exception of corn, but even stocks of this cereal are quite small, and this is the time of the year when reserves have to be created because later on in March when the farmer is busy he cannot bring his crops to market.

The price of our wheat yesterday at the close of the session had reached the lowest point on that day, but as frequently of late, Liverpool paid no attention to our declines, and their futures closed 5/8 to 7/8¢ per bu higher than the previous day. This, in spite of the fact that world shipments next Monday will probably be quite large--possibly 11 million bu, a quantity much greater than had been cleared for any week of late. However, as time goes on the need for supplies abroad will be increasingly felt. Italy has again been purchasing, and it is now estimated that her requirements might reach as high a quantity as 80 million bu compared with only trifling importations a year ago. In Germany, an actual food crisis is in sight by about April 1st unless in the meantime she will be able to raise enough exchange to relieve the situation.

The latest Washington estimate on the 1936-37 world crop confirms the small yields the past season, total wheat production being given as 3,324,000,000 bu versus 3,410,000,000 bu the year before; the consumption that year also had been greater than the production, and world stocks had been very heavily reduced.

Domestically, the very light receipts, in spite of high prices, confirm the fact that farmers' holdings must have attained a very low point. Primary redeipts were only 198,000 bu against 539,000 bu last year. We think we would have to go very far back in world statistics to find that receipts on any normal day had been that small. Stocks continue to decrease; Kansas City so far this week lost 550,000 bu, reducing its stocks to about 12 million bu. Considering that this is the only point in the Southwest with any large holdings, and that possibly 2 million bu of that wheat has already been sold but not shipped, there is a reserve left of only about 10 million bu with which to supply any demand from their own mills, as well as the Northwest and many other places, with very little new sales to come from farmers.

At the close our market showed an advance for the day of 1 3/4¢ per bu for the main future --May, with a very firm undertone.

Ordinarily the price level would be very largely affected by the wonderful crop prospects in the Southwest. The rains and snows in the Southwest the last few days are probably the best had in that territory for four or five years. The outlook for the growing crop at the present time is very favorable, with a tremendously increased acreage. In consequence, there is a steady widening of the difference between May and July wheat, the discount now being about 17 1/2¢ per bu for the latter. While this is quite extraordinary, there is no telling how much further it might go, because finally it might represent the difference between scarcity of the old wheat and over-abundance of the new wheat.

Corn, oats and rye all profited from the great strength in wheat, but corn is following more reluctantly now, evidently the price has discounted much of the existing shortage. Primary receipts of corn are also keeping up fairly well --619,000 bu compared with 708,000 bu last year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 11, 1937.

Spanish complications continue to increase and almost daily there are new incidents, which formerly would have produced great war scares, but which now seem to be almost entirely ignored by those who are best informed and are willing to back their opinions. Naturally the center of diplomatic negotiations is London. No one would care much to become engaged in a war with England as an enemy. France and Russia, who are opposed to Italy and Germany at the present time, would not venture very far unless they were assured of England's help. She herself being very peacefully inclined, is trying her best to prevent any spreading of the Spanish Civil War, and the consensus seems to be that she will finally be successful in her endeavors, or else the Liverpool wheat market would be more excited than it is. We have to assume that those who have great financial interests and who are very much concerned over the final outcome of the political situation, have ways and means of keeping themselves thoroughly posted in order to make preparations ahead in their commercial activities. Therefore, we over here, being further away from the scene and not on the inside as far as reliable information is concerned, will have to subordinate any judgment we might form to theirs.

The Liverpool wheat market did not fully reflect Winnipeg and our strength of Saturday, and finally futures closed 1/8 to 1 1/4¢ per bu lower, which must have been very disappointing to those who are bullishly inclined. Broomhall, who keeps the Board of Trade informed on European grain matters, hardly mentions the Spanish situation as affecting wheat values, but puts more stress on the small inquiry for wheat and offerings by Italy to resell some Argentine wheat now being shipped, although same will be replaced by other purchases at a more distant date. This in itself is not important because it was already known that the Italian purchases were largely in anticipation of later needs, and that not all the wheat would be used for immediate consumption. Furthermore the amount on passage has been gradually increasing, 37,560,000 bu versus 20,544,000 last year, showing that ample provision has been made for immediate requirements. World shipments were a trifle smaller than expected, but still amounted to 10,567,000 compared with only 9,064,000 bu last year. As anticipated the great bulk is now coming from the Southern Hemisphere, almost 6 million bu are being supplied by Argentina and Australia, with only 3 million bu from North America. These latter shipments are actually less than last year, but as we have pointed out repeatedly Canada has reduced her stocks to such a large extent that it would not be possible to furnish equally large amounts as were cleared last year after this period up to August 1st.

The domestic situation remains healthy, and primary receipts were only 489,000 bu against 688,000 bu last year. Shipments also for the same dates showed 338,000 bu compared with only 260,000 bu last year, so while there was less received more was shipped on this one day.

In analyzing the receipts they make a particularly good showing as 162,000 bu were received at Minneapolis, which certainly could not have come from farmers, with the small spring wheat crop, and probably were received from Kansas City, so it is just a movement from one center to another. The reason we believe this to be a fact is that Kansas City stocks decreased 640,000 bu for the week and northwest millers had taken advantage of deliveries on December contracts and supplied themselves in this way.

Premiums in the Southwest keep fairly strong and we are advised that Manitoba No. 1 northern wheat, duty paid, sold Saturday at Buffalo at $1.79 1/2; No 1 hard wheat CIF Buffalo from Kansas City could be purchased at $1.53 1/4, or 26 1/4¢ discount. It therefore seems that hard wheat in the Southwest, even at big premiums is fully in line with other wheats in the East.

The visible supply of wheat shows a heavy decrease, amounting to 2,409,000 bu compared with 2,332,000 bu a year ago; and the total is now about 55 million bu, or 13 million bu less than in 1936 same period.

(O V E R)

The government report which will give us the estimated figures of farmers' reserves will become very important. Should farmers' holdings be considerably less than last year, it would be evident that with the larger consumption this season, primary receipts would have to be extremely small, and we would have to cut into the visible supply even more than last year, when finally it was reduced to about 22 million bu. However, being already 13 million bu less, as mentioned above, it is easy to foresee how it might be reduced to almost dangerous proportions. Even last year the primary movement from January 1st to July 1st amounted to only about 54 million bu, or an average of 360,000 bu for each business day. We assume it will be much smaller this year.

At the close our market showed a decline of 1/4¢ per bu for the main future --May, compared with Saturday.

Corn was very weak at times in sympathy with wheat, but made a fair recovery. The visible supply shows an increase of 219,000 bu versus a decrease a year ago of 938,000 bu; total stocks are now 7,126,000 bu larger than corresponding week in 1936. This clearly shows what effect the high price has on the movement.

Oats supplies decreased 556,000 bu, and are now down to 33,692,000 bu, or about 7 million bu less than the previous year. We think stocks will continue to decrease week by week, and we consider oats the cheapest of all cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 12, 1937.

The government report given out by the Department of Agriculture after the close of our session yesterday was an extremely bullish document. It gives the farm reserves as of January 1st, 128,604,000 bu compared with 163,360,000 bu last year and 249,318,000 bu average 1928 - 1932. Compared with last year, therefore, farmers have 35 million bu less wheat on hand, and the visible supply is about 13 million bu smaller --this, in spite of importations of about 4 million bu greater than the year before. Assuming that stocks of the big mills, as well as country elevator stocks, should be the same as last year, it is evident that the consumption has been about 50 million bu more than during the preceding season. It is our guess, however, that the discrepancy is actually more, as we must assume that country elevator stocks are smaller because there was no temptation to carry excess supplies with the big premiums existing during the whole season and nearby futures always being higher than the deferred ones. For the same reasons big millers also might carry less than last season. However, in order to be on the safe side and preferring to make an understatement rather than an over-statement, we feel that if consumption from now on for the next five or six months should be the same as in 1936, we would have a carryover of 50 million bu less, or about 100 million bu on July 1st next. This would be quite sensational as it would be smaller than any carryover since August, 1923, when it was 138 million bu; and the following years whenwe had to deal with quantities:

1924	-	145	million bu
1925	-	118	" "
1926	-	106	" "
1927	-	124	" "
1928	-	126	" "
1929	-	250	" "
1930	-	308	" "
1931	-	341	" "
1932	-	401	" "
1933	-	398	" "
1934	-	286	" "
1935	-	152	" "
1936	-	150	" "

Assuming this all works out as stated we shall be confronted with a visible supply on July 1st of extremely small proportions.

Primary receipts of wheat are bound to be exceptionally light, and we not only look forward to decreases in stocks at almost every point but even the Chicago stocks which now amount to 7,038,000 bu will be down to very small figures. The decrease this past week was 165,000 bu.

Every kind of contract wheat in this market at the present time is selling at good premiums --from 5¢ per bu upwards-- although it has to be carried for over 3 1/2 months before delivery day in May, and in public elevators charges would be, including interest and insurance, over 1 3/4¢ per month.

Prospects are that feeding on a large scale will continue so that there is a probability of a very tight situation before new wheat comes on the market to relieve the scarcity. There is no fear that there will not be enough to go around, but the farmer never sells his last bushel, and it will take a high price to induce present owners to dispose of their holdings.

In analyzing farm reserves by states, we find that the greatest shortage exists in the spring wheat states --North Dakota, South Dakota, and Minnesota, about 14 million bu less than in 1936. Kansas has actually more, but the additional amount now held is more than offset by smaller holdings in Oklahoma and Texas. The soft winter wheat states, Ohio, Indiana and Illinois, also have about 4 million bu less than a year ago. Therefore the possibility of attracting wheat to Chicago is very slight; present stocks in this city are 1,200,000 bu less than last year.

Very little attention was paid to this report at the opening of our session, probably on account of the great weakness abroad; Liverpool futures at their close declined 1 1/4 to 1 3/4¢ per bu. The heavier movement from Argentina and Australia is being felt, and as the demand is only moderate farmers are more anxious to make concessions, and Argentine wheat is offered at very attractive prices compared with Canadian wheat. Furthermore the political situation has much improved during the last two days, and the war scare for the present is over, at least until new incidents in Spain should cause new apprehensions.

At the close our May wheat showed an advance of 1/2¢ per bu compared with yesterday.

Primary receipts of wheat were 267,000 bu against 254,000 bu the previous year, but includes 106,000 bu which were received at St. Louis, which must be some out of the way transaction, as it is very seldom that at this time of the year that market receives such a large quantity of wheat, and probably constitutes receipts from some other terminal point.

The very small stocks of corn and oats left in farmers' hands also call attention to the very strong feed situation, and it will require the greatest economies all the year around and further heavy importations of corn from the Argentine to prevent an actual scarcity. As far as corn is concerned, of course, the price has discounted a great deal of the shortage; but oats remain in a very healthy position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 13, 1937.

The Chicago cash grain market did not receive a single car of wheat from the country today. We think we have seen this happen before, but possibly not oftener than once every five or ten years. It is more significant today because it could not be explained by inclement weather making transportation difficult, or by intervening holidays, and it may be a danger signal as to what we may expect in the way of light receipts from now on. If continued it would confirm the correctness of the government report on the small farmers' holdings, and at the outside we could not expect primary receipts of more than one-third from the 128 million bu which are still in the possession of farmers. The balance would be needed in part for seed in the Northwest, by millers at home, where the wheat was grown, some for feeding and some would be carried over. This would permit an average of 230 to 250,000 bu daily primary receipts, which always would be considered very small; but in all probability they will be even much less than that. Today they amounted to 235,000 bu compared with 471,000 bu last year, but included in the receipts were those of Minneapolis, amounting to almost half of the total quantity, the largest share of which undoubtedly is not spring wheat which is tributary to that market, but all kinds of reshipments from the Pacific coast, Southwest, etc. Under these circumstances continued decreases in the visible supply are in sight, and so far stocks at Kansas City,& Minneapolis showed a decrease of 172,000 bu.

Aside from the strong domestic situation the wheat market was also helped today by firmer cables, Liverpool wheat futures advancing 1 1/4 to 1 1/2¢ per bu. Italy was again the biggest buyer, taking five cargoes of wheat from the Argentine.

There is a great deal of talk just now about the British government's plans to buy and store a year's food supply to provide for emergencies in case of war. However, while no doubt something will be done in this direction, we think it is too early to figure on it as a market factor for the old crop. The matter was being freely discussed in the House of Parliament when the writer was in London, and Sir Thomas Inskip, Minister for Coordination of Defense, headed a committee to make recommendations. The writer has read all the speeches which were delivered in the House of Commons during that period, and Sir Thomas Inskip expressed his views at the time: namely, that it would be useless for England to store more wheat than would be absolutely needed for an emergency. He further claimed that an emergency could not be considered to last more than a couple of months because if England maintained her supremacy in the air and on water any larger supplies would be needless. If she would lose that power of control no amount of foodstuffs would be of any aid, other considerations then being the deciding factors in terminating the war. From this we conclude that whatever steps will be taken, and something no doubt will come out of this, will be gradual. It would also require the building of large additional storage room before heavy accumulations could take place. Furthermore, the general business and economic situation would be affected, and it is not likely that the English government, which is anxious now not to raise the cost of living still further, would upset all markets where their objective could be accomplished.to so much better advantage next year when supplies probably will be more abundant. With Winnipeg October wheat selling at about 16¢ under their May, and the English treasury not being over-burdened with excess funds, it is not likely that they want to throw any money away, unless the danger of an immediate conflict with any of the European powers would be much greater than appears at the present time.

Canadian importations for home consumption continue at about the same rate as heretofore; for the week ending January 2nd amounting to 712,000 bu, and the total for the first six months is 23,387,000 bu compared with 18,441,000 bu last year. There is an absolute dearth of spring wheat, and Canadian wheat is necessary to produce the desirable flour by northwestern and Buffalo millers.

(O V E R)

Much more moisture is needed in the Northwest to obtain best results; the deficiency since last April is very great, but, of course, could be made up in plenty of time with more copious rains or snows.

Toward the end of the session Germany was reported as being a buyer of Argentine wheat, but the amount estimated was only 200,000 bu. However, it was a contributing factor to the advance with all the other bull news.

At the close May wheat showed an advance of 7/8¢ per bu compared with yesterday.

Corn, oats, and rye all profited from the great strength in wheat; with the small supplies existing in all these cereals it takes only the slightest encouragement for prices to advance.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 14, 1937.

The first Liverpool wheat cables received here before our session opened were quite disappointing --futures there actually sold lower, while our market yesterday had shown extreme strength. As a consequence we had a weaker opening, but there was a good deal of strength at times as the session progressed, although final prices were 1 1/8¢ per bu lower than the previous close.

Trade is so imbued with the idea that old cash wheat all over the world, but more so in the United States, is and will remain a scarce article so holders are not easily frightened. They study the fundamentals and have in mind that cereals of every description are more or less scarce, and bring fancy prices compared with values in other years. Therefore from time to time the wheat market, when temporarily its own strength is impaired, receives a helpful stimulant from other grains. For instance, today when corn and oats made new high records, and when Kansas City May corn sold more than 3¢ over their July wheat, (although a bushel of corn contains only 56 lbs. and a bushel of wheat 60 lbs.) the feeling was unanimous that a situation exists which is quite extraordinary. If there is anything disturbing at all to the bull, it is the knowledge, or at least the probability, that this apparent scarcity or shortage will not last forever, and it might be removed within six months. Therefore everyone will wish to realize his profits before the adjustment between new and old-crop futures comes.

There again was good precipitation during the past twenty-four hours over all central and eastern sections, heavy in some localities. There were also local snows which were quite general over the Northwest, as well as in Oklahoma and Texas. This is quite favorable for new-crop prospects, and if these conditions continue, with the tempting prices existing, there might be a tremendous movement next July and August, filling up all holes, besides creating a surplus which might have to be marketed abroad. Consequently, whenever the change comes and when instead of being importers of wheat we become exporters, a different viewpoint will have to be taken regarding the price structure. This, however, may only affect July and September wheat, as we can easily imagine that all the old wheat will go into consumption at the present level of prices or higher.

Foreign markets firmed up before their close, and final prices at Liverpool were only about 1/4¢ per bu lower compared with the previous day. Sentiment abroad might have been somewhat influenced by Germany and Italy again being in the market for Argentine wheat, thus relieving the burden which would otherwise exist this early, when the clearances are so very heavy. It is estimated that Argentina will ship this week over 6 million bu.

Primary receipts continue to be light; 283,000 bu against 455,000 bu a year ago. Stocks at Kansas City and Minneapolis so far this week show a decrease of 226,000 bu, and we look for another good-sized decrease in the visible supply on Monday.

Toward the close of the session there were some realizing sales, chiefly influenced by the weakness in Winnipeg.

Corn receipts are fair at 489,000 bu versus 552,000 bu last week and 803,000 bu last year, but the undertone of the market remains strong. No doubt a high price will prevail all during this season, and same is needed, as only with the greatest economies will there be sufficient feedstuffs available to supply needs of the animal population.

Oats were practically the only cereal which closed higher. Rye suffered in sympathy with the lower prices prevailing for wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 15, 1937.

Liverpool cables showed great weakness again, their futures declining from 1 to 1 1/2¢ per bu. It is well to analyze the causes for the greater weakness abroad of late in order to come to the proper conclusions as to the future value of wheat. There is no doubt that the political atmosphere in Europe has greatly improved, and at least some speculators had made purchases of this commodity either as a hedge in case of a war, or in order to profit in the event of possible further disorders. With the political outlook so much better there naturally was some liquidation on part of those who had not made the investments on account of the intrinsic wheat situation. Furthermore, this is the time of the year when the pressure from the Southern Hemisphere is the greatest, clearances from there usually are the heaviest between now and the middle of March, after which time they drop off again. The consequence on the Liverpool market has resulted in all futures selling practically at the same price, something like $1.29; and there is no longer any discount for either May or July under the March showing that confidence still prevails and no fears exist that engagements for later delivery are dangerous at this price level.

It looks to us as if prospects of a final settlement of the civil war are more favorable and we would construe this as a decidedly bullish factor. In normal times Spain is self-sustaining as far as wheat supplies are concerned, but at the present time in many districts people are starving for lack of food. Farming no doubt has been neglected and it will be some time before there will again be a normal acreage. During war time man power is always restricted and it took the various countries in Europe four or five years after peace was declared before a normal acreage was restored. In the meantime, Italy, Spain and Germany, which for several years have played no important part as importers, are continuing to secure some of this Argentine wheat; and England, which is usually the largest taker, can no longer control that market and has to follow suit.

There is no question in our minds that the English requirements for the balance of the year will be heavier than usual. Up to the present time the United Kingdom has imported about six million bu less wheat than last year, but her crop was smaller, her population is increasing, great prosperity is existing, and it would seem to us that during the twelve months she ought to take at least 10 to 15 million bu more wheat than last season.

We assume that world shipments next week will be very large. Estimated shipments from Argentine alone are 5,700,000 bu; from Australia 1,700,000 bu; from the Black sea 1,400,000 bu, which, together with North America showing probably 3,000,000 bu, would make a total aggregate of much more than has been cleared lately in one week. However, there will be no difficulty regarding the absorption of it.

We believe that the next inspiration for higher prices on old-crop futures will come from the domestic situation. Primary receipts of wheat were very light again --244,000 bu compared with 382,000 bu last year; shipments were 407,000 bu versus 350,000 bu in 1936. Out of ten primary points reporting we find that nine of them actually shipped more wheat than they received, the only exception being Sioux City, which, of course, does not count, receiving only 5,000 bu. Naturally all these markets have their own consumption, and it certainly points to a very large decrease in stocks in the visible supply again next Monday. So far this week stocks at Kansas City, Duluth and Minneapolis show a decrease of 297,000 bu. The decrease in the visible supply a year ago was 1,371,000 bu, and it will be considerably larger this year. It also appears to us as if supplies in Chicago, with the very light receipts, would show another decrease; total stocks last Monday were only a little over 7 million bu against 8,200,000 bu similar period a year ago. It does not seem as though there would be much wheat left for delivery when May comes around.

At the close the market showed a decline of 1 1/8¢ per bu for the main future --May--compared with yesterday.

Corn, oats and rye declined in sympathy with the break in wheat, and all cereals were also affected by the great weakness in Winnipeg.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 16, 1937.

Liverpool markets were again very weak, futures declining 1 1/8 to 1 7/8¢ per bu. The sharpest break was in the March wheat which went to a discount under the July, indicating that the pressure just now from the Southern Hemisphe re and moderately so from Canada, is being felt. The decline in March wheat in Liverpool since January 4th amounts to 8 or 9¢ a bushel; and, of course, with the moral support from Europe now lagging our markets also suffered in spite of the strong domestic situation. However, the demand abroad still remains quite good --Italy having purchased again four cargoes and Germany one of Argentine wheat; also Japan secured a cargo of Australian wheat. This demand is likely to continue,according to all known needs. It is more than probable that requirements of the importing nations will be such that the exportable surplus can be fully absorbed after the pressure is removed of the heavy clearances during the early harvesting movement. This particularly, so as Canada has put herself in wonderful shape, and has now reduced her stocks of wheat to a total of 110 million bu compared with 257 million a year ago, or a decrease of 147 million bu in twelve months. Considering that Canadian exports of wheat, including United States' takings, in a little over five months, amounted to over 115 million bu, it is easy to see that there will be no severe pressure from that quarter henceforth.

We consider that under these circumstances our market made a very reasonable showing, declining only 1/8¢ per bu for the May delivery compared with yesterday, and the more deferred futures did much better, gaining 1/4¢ for the July and 5/8¢ for the September. This strength is due to the very light receipts --primaries being only 275,000 bu while shipments were 427,000 bu, and compares with 410,000 bu and 403,000 bu respectively in 1936.

There was a decrease in stocks at Kansas City and Minneapolis so far this week of 476,000 bu, and we look for a very large decrease in the visible supply on Monday.

Weather was generally fair during the last 24 hours, except there was some snow in the far Northwest, but indications are for further local snows over the Northwest tonight and Sunday, and probably in eastern Kansas and Nebraska. We think farmers generally are satisfied with the crop outlook now both in the Southwest and in the middle states, while moisture conditions in the Northwest have also somewhat improved.

Interest in corn was rather small today and primary receipts during the week were 3,888,000 bu compared with 4,879,000 bu last year, but shipments show almost an equal decrease, being 1,336,000 bu against 2,198,000 bu previous year, so much of the eastern demand is being supplied by Argentine importations.

Oats statistics continue to be strong and total weekly primary receipts were only about one-half of last year, being 869,000 bu versus 1,638,000,and we look for a good decrease in the visible supply. The market closed a trifle lower,and so did rye, mostly in sympathy with wheat which had been rather weak during the greater part of the session.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

January 18, 1937.

It is reported that the Rumanian government has sanctioned a sale of 50,000 tons (1,850,000 bu) of wheat to Germany. Broomhall also claims if the British-French loan to Germany materializes, it is likely that heavy purchases of foodstuffs will result and a large proportion will be taken from the Argentine and some from Canada.

To us the German food situation is not only important as far as immediate supplies are concerned, but also we believe that Germany's plan to produce sufficient cereals for her ever-increasing population, which now consists of over 65 million inhabitants, has totally failed. It appears to us as if she would have to again become a regular importer for human and animal food; that she has only succeeded in staying out of foreign markets for the last couple of years by reducing her stocks to a minimum and under-feeding her people. This, of course, cannot last forever. We are led to this conclusion because the German wheat crop in 1913 in the present Reich area, when she was a large buyer of foreign wheats, was only about 25 million bu less than during the period of 1934-36. Also during all the post-war years she was a large importer. For instance, in 1927 she imported about 93 million bu of wheat, 83 million bu of corn and 92 million bu of barley, a total of 268 million bu. In the year 1935 her imports were only 5 million bu of wheat, 11 million bu of corn and 7 million bu of barley, a total of 23 million bu. This past year the latest statistics up to the 1st of December, or for only eleven months, show her imports as follows: 845,000 bu of wheat, 6,500,000 bu of corn and 2,160,000 bu of barley, a total of 9,445,000 bu.

We also believe that Italy is somewhat in the same position, and if these suppositions, which, however, are based mostly on some known facts, prove to be true, the time will come when the United States will not require any reduction in acreages, and with her tremendous home market and a moderate export will be able to get rid of her production.

World shipments this week we believe were the largest since July 1, amounting to 12,354,000 bu compared with 8,170,000 bu last year. This gives us increased world exports since July 1st of 35 million bu. The wheat, however, has not yet all gone into consumption, as the on-passage statement is almost double that of last year, amounting to 41,576,000 bu versus 22,792,000 bu in 1936 similar period. These purchases no doubt have not been made in a speculative way but with the knowledge that it all will be wanted very shortly.

Liverpool wheat futures were unchanged for May but declined 1¢ per bu for March wheat; July declined only 1/8¢, and March wheat is now selling at 1 1/2¢ discount under July, something entirely different from what it is here, where our May wheat is at a premium of about 17¢ per bu over July. Giving this the correct meaning it implies that Europe feels that her immediate cash supplies are sufficiently plentiful but that there is enough confidence in a scarcity later on to justify paying advanced prices for the deferred months. In this country the feeling is exactly the opposite. We are looking forward to a comparative scarcity until the new crop comes on the market, and while the old wheat might all be wanted there might be an overabundance next July when harvesting is on in earnest. That such a situation might easily arise is plainly indicated by the continued decreases in the visible supply, this week amounting to 2,370,000 bu versus 1,371,000 bu in 1936. Total stocks are now 52,531,000 bu against 66,604,600 bu the previous year. After this period last season there was a decrease of 44 million bu. Should there be a similar falling-off up to July 1st this year, it would bring stocks down to a little over 8 million bu. Of course, this is not going to occur, because with such a small carryover at all terminal points, it is unthinkable, but yet if one compares the two seasons, one would guess that the draft for wheat from points of accumulation would be fully as large as a year ago. We know that

(OVER)

farmers' stocks are smaller and the chances are there is no oversupply either in country elevators or in big mills.

Trade in general was extremely quiet today. There is no great incentive at present to go ahead as long as both Europe and Canada give no encouragement to speculators; but, of course, this might change at any time, particularly as at various times wheat benefits from the great strength in corn and other foodstuffs. It is not reasonable to expect much of a decline in wheat if coarse grains maintain their present value, or advance still further, as it will be used as a substitute to a large extent. At the close our market showed an advance of 1/8¢ per bu for the main future --May.

Corn showed great independent strength. As the season advances the shortage of this year's crop will be more and more felt. Primary receipts were only 680,000 bu against 867,000 bu a year ago.

Oats and rye held reasonably firm, with final changes very unimportant.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 19, 1937.

Argentina is following her usual custom. Whenever she raises a large crop which gives her a sizable surplus she sells her wheat as soon as it is harvested, and undersells practically every other exporter. The difference between the price of wheat there and in Canada has been enormous, but farmers seem to have been satisfied and have not assumed a waiting attitude. Last week's clearances had been extremely heavy, and offerings to all Continental and English markets continue in large volume. This necessarily depresses the Liverpool market, particularly for the nearby future --March. On December 31st same had closed at $1.35 1/8 and to-date it had declined to $1.25 1/4, or a drop of 9 7/8¢ per bu. During the whole month of December our market was stimulated by rising prices at Liverpool, and naturally we have been influenced by their declines which have taken place, although not to such a large extent. Our May wheat has declined from the high point only 7¢ per bu; Winnipeg suffered more than we did, to the extent of 8 1/4¢ per bu.

One of the reasons why our prices did relatively better was the strength in the domestic situation, and also the fact that corn and all other cereals were bringing comparatively high prices, so that, at least as far as wheat is concerned, same is being used to some extent as a substitute, diminishing accordingly our available stocks for flour-making.

Mr. Nat. C. Murray yesterday estimated the total consumption of wheat in the United States this year at 700 million bu. The best informed people fully agree with him; in fact, some believe it might be even more. On the assumption that we raised this year 626 million bu, with net importations of about 40 million bu, making total supplies for this season 666 million bu, we would reduce our carryover about 34 million bu. The corrected estimate of the wheat carryover was 136,739,000 bu, excluding wheat in transit, which would leave on July 1st, 1937, only about 100 million bu in all positions, including farmers' holdings. We asked the United States Department of Agriculture for an explanation why they had reduced their previous figures on the carryover of 150,431,000 bu to the present lower one. In substance they answered that last year's crop had been so very early that possibly part of the new wheat might have already been included. Therefore nobody can give the exact carryover; it might vary 4 or 5 million bu more.

It, therefore, becomes evident that for the present at least, and until a larger percentage of the crops in the Southern Hemisphere has been moved, bull incentives on wheat are not likely to come from the other side, but we must depend more and more upon our strong domestic situation if we are to have higher prices. Prospects in this direction are still quite good, but necessarily it will be more uphill work without any encouragement from Europe. There are no burdensome stocks in any of the terminal markets; Chicago supplies in all positions are 6,820,000 bu compared with 8,010,000 bu a year ago; new receipts from farmers, which could be brought here, are extremely light. The southwest supplies are also only fair if we assume that farmers' reserves, as confirmed by the Government report, are very small, indicating a very moderate movement, compelling millers from now on to go more to the centers for their supplies.

Primary receipts today were 307,000 bu versus 267,000 bu last week; stocks at Kansas City and Minneapolis so far this week show a decrease of 70,000 bu.

Indications are for good snows in Nebraska, and also in parts of Kansas; so the general atmosphere, as far as cereals are concerned today, was rather disheartening. Heavy liquidation took place, and at the close our main future --May--showed a decline of 2 1/8¢ per bu. compared with yesterday.

Should the Southwest be favored with more moisture, and considering that prospects in the Middle West are already quite good, the outlook for the new crop may be considered as quite satisfactory. It then occurs to us, assuming that the price remains reasonably attractive to the farmer, whether later on they will not repeat what Argentina is doing now, and become very free sellers when the new crop is being harvested in July. Weather permitting we might get tremendous accumulations during that month, thus the actual occurences in 1937 may be a complete change from what happened this past season.

The corn, oats and rye markets could take no independent stand, and following the major cereals, they all showed declines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 20, 1937.

The wheat trader who watches every item of news as it is given to the public had a great deal to think about today. It was reported overnight through a cable from Rome that the Italian government has taken steps to remove all obstacles and red tape in order to cover its wheat needs as quickly as possible. Various figures were given as to their requirements, some claiming that as much as 91 million bu will be wanted. She is supposed to have already purchased approximately 55 million bu, but she also wants to accumulate a security stock of 9 or 10 million bu more than her needs for contingencies. Three more cargoes were purchased by that country overnight. It must be left to the individual to guess how much truth there is in these different statements. As a matter of fact, however, we find that from August 1, 1936, to January 6, 1937, clearances to Italy have actually been 20 million bu; and probably for the first time in the wheat history she appears as the second largest importer. The United Kingdom during this period was the buyer of 70 million bu of wheat, but this is normal for that country. In fact, her importations so far this season are 4 1/2 million bu less than a year ago, with smaller crops and larger consumption. Clearances to Italy this year compare with last year's of only about 6 million bu; therefore, her takings constitute a large proportion of the 39 million bu more wheat which Europe has received so far this season.

Liverpool was very much impressed with these conditions, as it is quite evident that if this extra demand continues it will remove a great deal of the pressure which would otherwise exist with the heavy movement on now from the Southern Hemisphere.

Much stronger cables than expected before our openining changed sentiment here immediately, as same had been greatly depressed last night after the severe decline, and prices opened about 1 to 1 1/4¢ per bu higher.. This, in spite of the fact that the weather everywhere overnight was very favorable, and practically our whole Southwest, Northwest and middle states had more or less moisture, with more predicted. Shortly afterward, however, some large traders seemed to feel that this was an opportune time to reduce their holdings, and heavy liquidation, which had started yesterday, continued. It was accelerated when oats, which ordinarily are one of the more neglected cereals, and, therefore, a minor factor, had a very sharp break. It seems that some big long started selling oats in large quantities right at the beginning, stop orders were caught, and there was a break of more than 2 1/2¢ per bu from the high point before the decline halted. Considering that oats are selling for a little over 50¢ per bu, the break really amounted to 5 per cent of the value, and sufficiently serious so as to affect all neighboring pits.

For a while all confidence in higher prices for the time being vanished, but after the President's address Wall Street stocks commenced to advance and new courage was taken by many, causing a moderate recovery. Final prices showed a decline of 5/8¢ per bu for the May delivery compared with yesterday.

Back of it all and ignoring the day to day news, the fact that at the present time milling business is extremely poor is responsible for the decline from the high points. Spring wheat mills in the Northwest are working only 14 per cent of capacity compared with 26 per cent last week, and 41 per cent a year ago. The situation in the Southwest is somewhat better, but not much. Sales of flour amounted to 27 per cent of capacity against 38 per cent the preceding seven days, and 30 per cent the previous year. The same condition seems to prevail all over the East. It is quite evident that under these circumstances millers will be only small wheat buyers, permitting their stocks to run down, but it is also clear that the people have not yet stopped eating bread and that sooner or later the demand which has been held back for so long will have to re-appear, and give a new impetus to the trade and to prices. Naturally in the meantime great patience and confidence are required on part of holders until the change comes.

(OVER)

Fortunately, however, primary receipts are light, being today only 232,000 bu versus 311,000 last year. Stocks continue to decrease; so far this week Kansas City and Minneapolis have lost 208,000 bu, so we may look with confidence for another decrease in the visible supply next Monday.

The corn market also seemed to have lost its gimp for the time being. Primary receipts are only very moderate --459,000 bu against 578,000 bu last week. In spite of great economies there are not likely to be any accumulations which would be depressing, and the shortage of this cereal is bound to be felt.

As far as oats are concerned, nothing had changed overnight, regarding statistics --receipts continue to be extremely light, being only 184,000 bu, while shipments were 281,000 bu, and stocks at terminal points are bound to continue to decrease very heavily. We think after the sharp decline today, which was almost panicky for a while, that more reasoning will restore prices to their former levels and perhaps higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 21, 1937.

Liverpool ignored yesterday's weakness here and at Winnipeg and their futures showed an advance of 1 to 1 5/8¢ per bu. This, despite the fact that estimated Argentine shipments are 8,083,000 bu, possibly the largest quantity ever shipped in one week. Black sea countries also cleared 976,000 bu and India more than 500,000 bu, so that with Australia and North America yet to come, we may reasonably figure that this week's world importations will be the largest on the crop and much in excess of what are supposed to be the weekly requirements.

The fact that all these purchases could be absorbed at advancing prices certainly shows great confidence on part of buyers and we feel that back in their minds is the fact that Germany continues to negotiate for credits to obtain the supplies which she needs. Not being behind the scenes, of course, we do not know whether she will be successful in her endeavors, but it is well to appreciate that Germany is short of foodstuffs to a large extent and that the population will not be permitted to starve. Therefore it is a fair guess that whether or not credits are granted, ways and means will be found to supply her absolute needs. Should this prove to be correct Germany no doubt will enter as a big buyer of foreign wheats before very long. It is also quite sure that the more Argentina ships now the less she will have to spare later on; and while usually her maximum clearances are reached about the middle of March, the attractive price to the farmer may change it so that this season we shall see a dropping-off at the end of February and by that time Canada will have to furnish a larger quota than she does at present.

Outside of the foreign situation there was less incentive to make investments in wheat on today's news. The milling demand remains very poor and in our opinion the prospects for the new crop are steadily improving. According to the weekly weather report the condition of winter wheat in the Ohio Valley still remains mostly fair to good, but it is claimed on account of frequent and heavy rains there is much water standing which probably will result in some damage. It has been our experience in the past that when everybody complains about too much rain we just about have enough and this for the very good reason that while excessive moisture may do a little harm, it will do so much more good at other places that the balance is in the right direction. In other reports, generally speaking, conditions are better than normal. There is a good snow covering in many places but not all over; also we could still use more precipitation in the western half of Kansas, but since conditions are never entirely perfect we believe that the present outlook for winter wheat is at least normal.

Assuming that we shall have an average abandonment of acreage of about 12 1/2 per cent, we would still have a standing acreage of 50 million bu on which we could easily produce a crop of 600 million bu as a minimum, compared to 900 million bu as a maximun; and if as a guess we assume that the crop might be something between the two extremes, or 750 million bu, to which the spring wheat yields would have to be added, there would be plenty for all purposes and a good deal left over for export. We think that this is gradually penetrating the minds of traders who look at the price of July wheat and find it looks like a very attractive sale unless something unforeseen should happen. This caused the difference between May and July wheat to widen today.

We also feel that the difference between July and September wheat is too big. We consider the premium for July wheat as not justified and in case we should have a normal movement in July, and probably with the high price it will be better than that, there is no reason why July should not finally sell at a discount under September.

Primary receipts continued to be very moderate --305,000 bu compared with 311,000 last year, but despite the poor flour demand wheat shipments are actually larger amounting to 358,000 bu. Stocks at Kansas City and Minneapolis decreased so far this week 295,000 bu. It looks to us as if the visible supply this coming week on Monday would show a larger decrease than last year when it amounted to only 807,000 bu, and it is easy to imagine how much more the decreases will be at terminal points as soon as flour business improves which is bound to come sooner or later.

(OVER)

After many minor fluctuations the final result at the close shows an advance of 1/8¢ per bu for May.

Corn receipts seem to be sufficient for immediate requirements, and many consider May corn to be on debatable ground, while the July and September at big discounts appear more attractive for investments.

Oats have to digest the heavy realizing sales which have taken place of late, but the statistical position remains healthy.

Rye closed a trifle higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 22, 1937.

The progressive weakness in foreign markets was accentuated today by a very severe decline at Liverpool, amounting to 2 7/8¢ to 3 3/8¢ per bu compared with yesterday. Such a sharp break was unforseen here and was caused by the tremendous clearances this week, Argentina and Australia together having shipped 11,436,000 bu, which is theoretically more than the weekly requirements of all European and non-European nations. In addition India and the countries adjacent to the Black sea have probably put 1 1/2 million bu afloat, and even if Canada's contribution will be only small --say 2 1/2 million bu, world shipments will probably be not very far from 16 million bu, undoubtedly the heaviest so far on this crop. It is quite evident that even with the increased number of countries which have to reach out to foreign countries, where their home production is not sufficient, there is momentarily an over-supply, which is depressing. Therefore the facts that Japan bought some wheat overnight, that China is expected to enter the market soon, and that all the Danubian wheat is easily taken care of by Italy and Greece, had no steadying effect against the other overwhelming items. Also no account was taken of the fact that these heavy shipments from the Southern Hemisphere cannot last for any length of time. If correctly reasoned, as long as the farmers' movement in the Argentine continues on a very heavy scale, and port stocks actually increase, heavy clearances will continue only to the end of February or possibly early in March. By that time it is likely the pressure will subside to some extent, as probably 50 per cent of the exportable surplus of the Southern Hemisphere will have been moved by the end of March, and the other 50 per cent will have to last for nine months.

From the northern countries there cannot be any extreme pressure anymore on this crop, as it is estimated, under date of January 20th, that the Canadian exportable wheat surplus has been reduced to 127,466,000 bu compared with 271,811,000 bu last year, or 144 million bu less. Considering that the United States is depending to some extent on Canadian supplies, also that Canada must have at least a surplus of 20 to 30 million bu of wheat on August 1st, as the new crop is not always available as early as this season, it would seem that only a moderate demand after March, when pressure from others will be less, will relieve Canada of her surplus stocks.

No attention, however, was being paid to statistics, and considering that the open interest in May wheat is still 70 million bu, it was only natural that with the weakness from abroad there should be heavy liquidation here, and with new buyers scarce a sharp decline took place, final prices on the old crop future --May-- being 2 1/2¢ per bu lower than yesterday. July wheat gained on the May wheat today in spite of favorable crop outlook, because the long interest is so much larger in May wheat and liquidation took place mostly in that future.

Primary receipts continue to be light , 294,000 bu versus 247,000 bu last year; and shipments amounted to 405,000 bu. There is a decrease in terminal stocks, and Kansas City, Duluth and Minneapolis lost so far this week 371,000 bu, indicating a fair-sized decrease in the visible supply on Monday.

The question naturally arises: What has the future in store? It is not very likely that Liverpool will reverse very quickly, but yet after the sharp break a moderate reaction would not be out of order, particularly as we understand that efforts on part of Germany to obtain credit or to make barter arrangements are continuing, and some day she may enter the market on a large scale, which would have a very good sentimental effect. Furthermore, we find that receipts at country points in the Southwest are getting very small, indeed, which will soon be reflected in smaller receipts at Kansas City; and same ought to become sufficiently small so that mills will have to draw to a larger extent on the accumulations at terminal points. We also assume that the flour demand has reached the lowest point --in fact, it is so small at the present time that it is inconceivable that it should decrease further, and, therefore, must go inthe other direction.

(OVER)

So it would not be wise to assume that this decline which has taken place will continue indefinitely. Domestic supplies are still so small that the carryover at the end of the year must be lower than for many years. The open winter has been a great help to feeders, but nevertheless even with the minimum amount of requirements both corn and oats will remain very scarce, particularly the latter, and wheat feeding for animals will continue.

Primary receipts of oats today were 200,000 bu and shipments 392,000 bu. Stocks at Minneapolis this week decreased 752,000 bu, and as there will be decreases at other points, the visible supply will be cut into quite considerably. We believe if the general atmosphere, as far as cereals are concerned, shows the slightest change for the better, oats might benefit very much and improve in value accordingly.

Even rye could not escape from declining in sympathy with the other cereals, in spite of a report from Paris claiming that the Polish government has ordered a two weeks' embargo on rye. It was furthermore mentioned that there is a possibility that no exportations of any grains will be permitted from Poland after February 4th.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 23, 1937.

Human nature is the same the world over. When markets start reaking and losses are incurred or profits curtailed, there is not uch difference in the action of individuals. Therefore, it was quite atural that the great decline which had taken place here in wheat utures yesterday following minor ones during the early part of the eek should have been reflected everywhere; Europeans have also been iquidating heavily and reducing Chicago long wheat commitments.

There was a total decline in open trades yesterday of 1,761,000 u, and early today realizing sales continued, so that new low records ere made for the present period. However, such movements, assuming hat confidence still exists as to the real value of the commodity, lways exhaust themselves, and once the downward trend is stopped reactions may come very swiftly. It is essential that there be some ort of stimulatnt to bring about this change.

We have pointed out repeatedly that we believe any development f great strength must come either from decreased receipts or increased milling demand. The latter has not yet developed, but receipts ontinue to be light, today's primaries being 245,000 bu compared with 96,000 bu a year ago. The movement at country points in the Southwest has been greatly reduced; therefore, within a few days receipts t Kansas City will also show a great dropping-off; and that is the arket which has had the biggest receipts lately. Wichita today received only 5 cars of wheat against 13 the previous year; North Salina, cars versus 3; Hutchinson, 10 cars compared with 17; and Ft. Worth, nid, and Amarillo together only 13 cars.

Stocks at terminals continue to decrease; Kansas City and Minneapolis so far this week have lost 415,000 bu. In spite of the fact that our crop this year was practically the same as last, total primary receipts from July 1st to date were 164 million bu, compared with 178 million bu a year ago, or about 14 million bu less. As the Government report also makes farmers' holdings very much smaller than the previous season, it is quite evident that a much larger amount must have been used at home; and this is another confirmation of the heavier feeding which has taken place. We, therefore, feel encouraged in believing that it will continue so as long as corn prices remain as high as they do.

Liverpool market was helped partly at their opening by reports of Germany's purchases of about 500,000 bu of Argentine and Canadian wheat, but the advance did not hold on account of the heavier world shipments which are anticipated for Monday, and which Broomhall estimates at about 16 million bu or more, the same as we did yesterday in our market letter. We still believe that these German purchases will have to continue, and finally will make a great impression on sentiment, as the quantities which she will require may just be sufficient to create a seller's market instead of a buyer's. We are encouraged in this belief by the fact that import duty on wheat has been reduced in Germany, with licenses, from 93¢ to 11¢ a bushel. Any country which needs money for duties as badly as Germany, and which also is so much inclined to favor the farmer, would not undertake such a step unless a great urgency existed.

Liverpool futures finally showed a decline of 1 5/8 to 1 3/4¢ per bu, but with our steadiness we rather expect a firmer cable Monday, which again would encourage traders here very much to make new commitments on the buying side. This will be badly needed, as there is a great deal of wavering among many who only have confidence in their judgment as long as the market acts in their favor.

At the close our main future --May-- had advanced 1/2¢ per bu compared with yesterday.

Corn, oats and rye all closed higher. They had been chiefly depressed in sympathy with wheat, as their own statistical position is reasonably sound. This particularly so, as far as oats are concerned, where the movement remains extremely light and sales are sufficiently large so there is a steady decrease in the visible supply. We look for quite a decrease on Monday, which might stimulate the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 25, 1937.

It was rather encouraging today that Liverpool cables came gher, advancing 5/8 to 1 1/2¢ per bu, despite the bearishness of atistics at the moment. Weekly world shipments were the largest n four years, amounting to 16,806,000 bu. The effect of this, however, was modified because it was more or less expected; and furthermore these heavy clearances may be construed in two different ways arketwise. Naturally such large available supplies for the moment, mparing with only 10,738,000 bu last year same period, are bearish. n the other hand unless one assumes that a large part of it is still nsold, it would indicate a tremendous demand. We have very often een the contrary happen: namely, light world shipments and very weak arkets because there was not even sufficient demand for the smaller fferings from the exporting countries.

We assume similar conditions will prevail for sometime. There re no signs that there will be any immediate let-up in the heavy learances from the Southern Hemisphere, particularly the Argentine; n the other hand the heavy demand abroad will last until the new rop comes on the market.

According to the Bureau of Agricultural Economics in Washington, world supplies, exclusive of Russia and China, are about 375 illion bu short of a year ago, and the larger crops in the Southern emisphere and heavier supplies in the Danubian provinces cannot anyhere make up this deficiency. This makes it quite plain that the xporting world will likely find a good outlet for its surplus.

In addition to this we are very much impressed with the extremely strong position of rye, which really is the only other cereal hat can be substituted for wheat in the making of the essential uman food product: namely, flour. The total world rye production n 1936 was the smallest in four years, and by comparison is as folows:

1936 -	907,999,000 bu
1935	971,756,000
1934	937,258,000
1933	1,047,069,000

Furthermore, the carryover of this cereal was also of very small proportions. Over half of this rye crop this year was raised in Germany and Poland. Germany produced 301 million bu, and owing to the shortage of wheat and a large amount of animal feeding she finds herself very short of requirements and is compelled to import, while very often she is an exporter. Poland produced 253 million bu and established an export embargo, owing to steadily advancing prices increasing cost of living for her citizens. The United States produced only 25 million bu versus 58 million bu 1935; and Canada 4,368,000 bu against 9,606,000 bu. Therefore it appears to be an impossibility to obtain supplies anywhere in large quantities. If this is the case necessarily the demand will turn to wheat and be helpful to the price. For several days in succession rye prices have been advancing in all markets, and in a great many places in Europe it is selling for more money than wheat, which is quite extraordinary, the normal being the opposite.

Domestically there is no material change in the situation. The milling demand remains extremely poor; and the trade is surprised how it was possible for the large millers and consumers to stay out of the market for such a long period. Evidently they must have laid in large supplies at the time when the war scare was on in Europe, but their stocks must be running down now. This absence of buying, of course, cannot last forever, and old wheat will be needed for five months more. Therefore, a change might come at any unexpected moment.

It is surprising that the visible supply continues to decrease so much. Today the decrease amounted to 2,153,000 bu compared with 367,000 bu last year. Total supplies are now 50,378,000 bu versus 55,737,000 bu in 1936; or a difference of 15,359,000 bu. When it is

(O V E R)

considered that last year stocks had run down to about 22 million bu, it is quite plain that similar decreases from now on as we had last year will bring our supplies down to extremely low points.

In analyzing visible supply stocks the past week we find that Chicago decreased 93,000 bu, and total available supplies in this city now are 6,727,000 bu, which certainly would not be very large quantity if any sudden demand should develop. In fact, outside of Kansas City, which has about 11 million bu, or one-fifth of the total available supplies, there are no large stocks at any terminal points. We presume, therefore, that when the milling demand improves, Kansas City will be called upon to furnish the largest quantities which will be needed.

Today's primary receipts were 449,000 bu compared with 437,000 bu a year ago.

The undertone of the market remained strong, but fluctuations were only small, and at the close the main future--May-- showed a gain of 3/8¢ per bu compared with Saturday.

Sentiment in corn was more bullish today on account of the colder weather, which ought to improve consumption. The visible supply showed an increase of 304,000 bu, and is now 13,891,000 bu--much larger than last year. Receipts are comparatively light and will probably all be wanted.

Oats displayed a very firm undertone, closing higher. Rye was in excellent demand, and at all times it was difficult to buy this cereal in large quantities.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
Y YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 26, 1937.

Our wheat market has been in the doldrums for several days. either the bulls nor the bears could work up any great enthusiasm on ither side. The volume of trading yesterday dwindled to about 19 illion bu and fluctuations had been rather light, particularly conidering the price level. This suddenly changed today and we think hat should be considered as very important information was given out y the United States Department of Agriculture, and is therefore condered as official and probably as near accurate information as is ossible to obtain. They give the total stocks of wheat in all posiions, as of January 1, as 407,662,000 bu compared with 460,336,000 u same period in 1936, or approximately 53 million bu less. Conidering that this year's crop was about the same as the previous seaon and that our importations were substantially larger, it points to disappearance of at least 45 million bu more than last year, making llowances for a smaller carryover.

We also feel that it will probably be a good guess to assume that he consumption during the remaining six months from January 1st to uly 1st will also be larger than in 1936. There will undoubtedly be ore feeding to animals on account of the high corn prices; there is reater prosperity and, therefore, larger per capita requirements. owever, ignoring this last factor, even if the disappearance of tocks would equal that of last season, our stocks at the end of the rop-year should be at least 45 million bu less than they were in 936. They were then given officially by the government agencies at 37 million bu, plus whatever old wheat might have been in transit. he actual figures were not given because the new crop started so arly and it was difficult to determine how much of the transit wheat ight be old or new, but it undoubtedly was very small and if we stimated it at 5 million bu, the carryover would have been 142 milion bu in which case it might go down to approximately 90 million bu n July 1st. This would be an extremely small quantity and probably eaching low records with possible few exceptions during all the istory when official records were given to the trade, or perhaps in uch years when everything was on a much smaller scale of production nd consumption than is now existing, or during war years.

Should this all work out in accordance with these premises, the ifference between old and new wheat might still widen considerably. his, of course, is only likely to happen on the assumption that our ay wheat finally will seek higher levels. In the year 1926 when the isible supply at this time was practically the same as it is now, ay wheat on the last day closed $1.65 and July wheat $1.37, or 28¢ iscount. Of course, no two years are ever alike, but we mention this articular year as there is a great similarity inasmuch as in both easons the domestic as well as foreign supplies were rather short and hen the possibility existed that a good new crop might change the icture. But this year when we are emerging from the scarcity period, e are confronted with an acreage in the United States the largest ver known; and, therefore, the change might become even more accentuatd than it was then.

However, we are still without an active milling demand, and a reoval of hedges, which prevented the extreme advance to hold today. he close on the main future --old-crop May wheat, showed an advance f only 1/4¢ per bu compared with yesterday.

We still believe that sooner or later a better milling demand is ound to come. We are advised that already now millers in Ohio find t more difficult to obtain their supplies at home; this seems quite ikely to be the case, as their farmers' stocks had been only 10,070,000 bu on January 1st against 13,599,000 bu the previous year. So it s more than likely that at one time or another they will have to come o Chicago to draw supplies from accumulated stocks here. Primary reeipts are exceedingly small --only 189,000 bu today, while shipments ere 343,000 bu.

(O V E R)

The rye market was again strong and higher, not only here but also at Winnipeg, which market reflects the world situation in this cereal more than ours. As both rye and wheat are the main human foodstuffs any sustained advance in rye is bound to increase wheat consumption.

Foreign markets were not much of an influence here today. Liverpool's final prices were 3/8 to 1/2¢ per bu higher. It was reported that Germany has purchased 2 million bu of corn lately from the Argentine. This again brings to our attention the extreme scarcity of both human and animal foodstuffs in Germany, which country has the largest population on the Continent except Russia. As both Germany and Italy have been relatively buying very little abroad during the last two years, any extra purchases which they make will affect the international market.

Oats receipts continue so light that there is talk of importations from Argentina. So far we have not heard of any transactions having taken place, but we believe the time may come when some may be needed, which, of course, in case of higher prices here. Today's primary receipts were only 144,000 bu while shipments were 422,000 bu a year ago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 27, 1937.

Conferences are being held in Washington betweenEnglish representatives and our Treasurer, as new developments in monetary matters are taking place in various important countries. It appears as if France would have to devalue further; and in Japan a monetary and political crisis is brewing. The chief reason for this situation in Japan is the higher cost of living, which may cause further devaluation. Japan has sufficient gold resources to finance her purchases abroad, but with the higher costs she may be compelled to pay for her merchandise in gold, which would undoubtedly flow to this country and increase still more our burdensome supplies. In the short time that we have adopted the new system of segregating our newly imported gold and issuing treasury certificates instead of depositing it in the banks, where it would form a basis for credit, we have already accumulated over 100 million dollars. If the amounts shipped to this country continue at this rate, and if our interest rates should rise, it would become more or less expensive and impractical. However, assuming that the world will keep on producing a billion dollars more gold than is needed for arts and consumption, and that other countries are either unable to secure it on account of poverty or prefer other investments, it is bound to flow to this country, where the price of $35 per ounce is assured. Therefore, we must always bear in mind that commodity prices sooner or later might be influenced favorably through the past depreciation of our currency; and what is happening in Japan now, where same was greater, might to some extent occur here, although it would be difficult to tell how long it might take.

Liverpool cables were extremely weak, futures declining 2¢ per bushel to 2 1/4¢ Outside of the small quantity of 150,000 bu of Manitoba wheats, which were purchased by Germany, no large cash trades were reported overnight.

The milling demand in this country remains very poor at the present time, and therefore the small primary receipts are not having the usual effect. They amounted today to 235,000 bu, while shipments were 339,000 bu. Stocks at Kansas City and Minneapolis so far this week show a decrease of 98,000 bu. Even with a minimum consumption we have to assume that the visible supply stocks will continue to decrease steadily from the 50 million bu which is stored at the various points.

In looking over the visible supply stocks on May 1st for the last 20 years, we find there were only four years when they declined to as low a point as we believe will be reached this season. This, of course, on the assumption that we shall have at least an average decrease of 2 million bu weekly during the next thirteen weeks, which would bring them down to about 24 million bu.

In 1921	declined	to 13 mil.bu;	May wheat Apr 30 sold about	$1.31
" 1922	"	" 31 "	" " " " " " "	" 1.41 1/2
" 1926	"	" 27 "	" " " " " " "	" 1.62
" 1927	"	" 38 "	" " " " " " "	" 1.35 3/4

Of course, in the meantime our population and consumption have greatly increased. This is an accurate record showing there was no period when wheat actually sold very cheap in a year that visible supply stocks had reached small proportions.

We obtained today a detailed report of the interior mill and elevator stocks as of January 1, and we find that virtually everywhere they were smaller than usual in the territory east of the Rockies. For instance, Kansas had only 5,200,000 bu compared with 4,100,000 bu in 1936; Oklahoma, 1,200,000 bu versus 1,700,000; Nebraska 2,900,000 bu against 3,700,000; and Texas 1,500,000 bu compared with 2,050,000 bu. They are very small all over the Northwest and Montana, but the states of Washington, Oregon and California have almost 33 million bu versus only about 25 million bu in 1936. It, therefore, appears conclusive that further shipments from the Pacific coast, despite

(O V E R)

higher freight rates, will be needed to supply the absolute requirements of our mills.

The Northwestern Miller in its weekly flour trade review claims in substance that with the declining market it was difficult to interest flour buyers, but there was some improvement over the preceding period in the Northwest. Total volume of bookings amounted to only 26 per cent of capacity compared with 14 per cent the previous week and 43 per cent a year ago. In the Southwest, sales amounted to 29 per cent of capacity, being a trifle better than the week before when they were 27 per cent; but still less than a year ago when they were 43 per cent. However, domestic wheat mills during the month of December, 1936, ground 37,836,000 bu against 33,123,000 bu last year; for the first six months of the crop year reporting mills ground 242 million bu against 230 million bu the corresponding period of the previous crop year. Therefore, we have no reason to change our mind that consumption this season will be larger for humans, and, of course, all reports indicate that the same tendency exists for animal feeding, which is also confirmed by the much smaller stocks now than at the same time in 1936. Should consumption be anywhere near what it was during the first six months, there will be needed approximately 40 million bu a month, outside of seeding requirements in the Northwest and feeding. This would necessarily bring stocks down to very low points. Wheat importations, of course, are of some help, and during the week ended January 16th same amounted to 723,000 bu, making the total so far this year 24,350,000 bu for consumption.

The wheat market never recovered from the shock sustained from the weak cables, and at the close our May future showed a decline of 2¢ per bu compared with yesterday.

Corn, oats and rye all closed lower entirely in sympathy with wheat, there being no new developments or changes otherwise to cause a reversal of sentiment. In fact, receipts of all these cereals continue to be very light; stocks of oats at Minneapolis in four days decreased 700,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 28, 1937.

Estimated Argentine shipments for the week at 7,715,000 bu com- ared with only 651,000 bu last year overshadow everything else in he news. With such heavy pressure at the moment it is immaterial hat the trade thinks of future values, there always being a limit s to the amount of any commodity which can be absorbed for the time eing.

Liverpool showed discouragement. Their futures declined another 1 to 2 3/8¢ per bu; their May wheat has now declined 14¢ per bu rom the highest point this season.

Black sea shipments are smaller this week --being only 496,000 bu gainst 976,000 bu similar period last week. There are no clearances rom Russia, but nevertheless with Australia, North America and sundry ountries yet to be heard from, the total quantity put afloat this eek will probably be very large again --possibly 14 to 15 million bu. his would be considerably over the estimated weekly requirements of ll importing nations, although not quite as heavy as the previous eek.

Of course, the speculative element will soon look ahead to the ime when the picture will change, and when farmers' deliveries in he Argentine will diminish. At the rate that country has been ship- ing the last two weeks, they probably would sell every bushel of their xportable surplus of approximately 140 million bu in about twenty eeks. But, of course, this will not happen. The crest of the move- ent in all probability will be over by the end of February or at east by the middle of March. By that time it may become again a ellers' market, while at the present time buyers abroad have all the dvantage and can lay in their supplies at leisure, knowing that lots ore will be forthcoming for at least four weeks or a little more.

Fortunately, Canada has handled her situation remarkably well, and ad reduced her stocks during the time when competition was less keen o such an extent that she is now in a very comfortable position. anadian wheat stocks on January 22, not including the amount held by armers and in transit, amounted to only about 100 million bu against 247 million a year ago, or 147 million bu less. Considering that armers' holdings after deducting what is needed for seed, are very ight, and that the United States will continue to be a fair buyer uring the next five months, it certainly seems as if she would be ble to market her surplus before her new crop is harvested and comes n the market.

With this overwhelming weakness from abroad, our strong domestic situation was partly ignored, but not entirely so. Our decline was smaller by way of comparison, our old-crop future --May-- losing 5/8¢ er bu for the day compared with yesterday. With any encouragement rom foreign sources speculators here would quickly take hold of this ereal, and be inclined to buy it in fairly large quantities on the xpectation that before the end of the crop year they could realize air-sized profits. Outside of the fact that prospects are for a very small carryover, the feeling in general about business conditions is uite favorable. Our premier security, United States Steel, reached a ew high price today; it is thought generally that the flood damage was xaggerated, that the motor strike will be settled sooner or later, hat with good prospects next year farmers will again prosper, that and values will rise, and railroad incomes increase; so there will be avorable stimulants from outside influences.

Our primary receipts are extremely light, 166,000 bu versus 245,000 bu a year ago; shipments amounted to 290,000 bu, indicating another ecrease in the visible supply on Monday. So far this week stocks at ansas City and Minneapolis decreased only 186,000 bu; probably he decrease this coming week will be only moderate compared with last eek or last year. The milling business at the present time is at a ery low point and is bound to improve. With an average monthly con- umption of about 40 million bu of wheat for human food alone, it does ot require a great optimist to anticipate that our visible supply tocks, in fact holdings everywhere, will be exceedingly light before nother crop can be harvested.

All other cereals showed no independence and followed the lead of heat. This, in spite of the fact that corn receipts were only 322,000 u compared with 483,000 bu last week; oats were 108,000 bu, while hipments were 338,000 bu; stocks at Minneapolis alone this week de- reased about 900,000 bu. With the scarcity of feedstuffs, which we now to exist, and which is beyond dispute, we think coarse grains will o better in time, particularly should the surrounding atmosphere of the heat depression at the present time show any amelioration.

UHLMANN GRAIN CO

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 29, 1937.

The discount rate of the Bank of France has been doubled, having een raised from 2 to 4 per cent. This clearly indicates that their fforts to maintain an easy money policy could not be carried out; nd when it is further considered that francs for future deliveries-- 0 to 60 days-- are selling at a big discount, the fear exists that he franc will be further devalued. It is possible that through loans y England and through the efforts of the stabilization funds this rastic change might be delayed, but the danger is still existent. t has already had its effect on Swiss exchange, which is also very eak and with the Japanese monetary crisis threatening, further infla- ion in various countries is in sight. Whether others will have to ollow sooner or later it is impossible to say, but it is always well o bear in mind that the world currencies have not yet been permanent- y settled and inflation of one kind or another, moderate or large, n many countries is a future possibility.

The wheat market today which was very much inclined to show a ising tendency, was largely influenced and was prevented from doing etter than it did, through the weakness in corn. It is well to remem- er that the great strength in the latter had been a very sustaining actor to wheat prices. The fact that Argentine corn shipments to he United States this week amounted to 3,394,000 bu was certainly ery depressing as far as corn was concerned and particularly so now hat offers are being made daily at prices considerably less than home- rown corn is bringing after even paying a 25¢ per bushel duty. Corn eceipts were also larger than of late, being 523,000 bu versus only 06,000 bu last week and 481,000 bu last year. Shipments were only 63,000 bu as so many places east of here which ordinarily draw on hicago are now getting large supplies from the Argentine.

Apart from this the wheat news from abroad was very encouraging. iverpool paid no attention to our yesterday's decline, and their utures actually advanced from 7/8 to 1 7/8¢ per bu.

Wheat shipments from the Southern Hemisphere continue to be large and amounted to over 11 million bu from Argentina and Australia ombined, but Broomhall states that the estimated surplus of wheat in ustralia is now placed at about 65 million bu compared with over 81 illion a year ago; therefore, the pressure from that country will soon be less than it was early in the season. Also the Argentine surplus left for sale is supposed to be 124 million bu for export, of which Brazil might take 40 to 50 million bu during the twelve months so that Europe will not be overburdened from that source after a short while. The domestic situation remains encouraging inasmuch as primary receipts continue to be smaller than shipments, indicating continued decreases in the visible supply and removal of hedges.

Today's primaries were 272,000 bu, somewhat smaller than last week when they were 294,000 bu, but larger than last year, then amounting to 208,000 bu; but after all they are very small and we remember many years when at this period they amounted to 500,000 bu or more when crops were normal.

Shipments amounted to 344,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of only 184,000 bu, but we look for another good sized decrease at Buffalo and many various places, but we doubt whether the total on Monday will be as large as it was last week but may reach last year's figure of 1,514,000 bu. We think there are the first signs of an improved milling demand. There is a little wheat being sold at various times from Chicago as well as from St. Louis, and we are also under the impression, judging from our own business, that there is a more wide-spread demand from the Southwest. As a matter of fact we do not see how it could be otherwise for any length of time. The consumption of flour is going on at a rate of approximately 40 million bu of wheat a month. There are no large stocks anywhere. Since farmers' receipts cannot supply

(O V E R)

the total demand processors must naturally come to terminal markets.

It is a little too early to make gueses of how small our visible supply stocks will be at the end of the season and how moderate will be our carryover, but the possibilities are that they will make new low records for wheat in all positions in recent years by May 1st and July 1st.

In the meantime weather in the Southwestern wheat territory has moderated considerably; the ice covering which had prevailed in parts of Kansas for several weeks has disappeared, and the moisture must have been of inestimable benefit. It is true that additional precipitation would be very helpful in the western part of the state, but in the main the winter wheat crop outlook is very favorable at the present time. The possibility still exists of a combined winter and spring wheat crop of 850 million bu, or more. Should Nature be kind and such a result be attained, it would require heroic efforts, or great shortages in other parts of the world, to prevent prices for the new-crop future from declining still further. At the close our market showed an advance of 1 1/8¢ per bu for the main future --May.

It needed only the slightest encouragement to boost rye prices again. Primary receipts in all markets were only 25,000 bu.

In oats, the statistical position is getting stronger all the time, but naturally the decline in corn was not lost sight of. Stocks at Minneapolis alone this week decreased 1,200,000 bu, and practically every market is shipping more than it receives. Primary receipts were only 170,000 bu, while the outgo amounted to 373,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
/ YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO January 30, 1937.

Light to moderate rains or snows have fallen the past 24 hours ver the Dakotas, Nebraska, Iowa, Kansas, Oklahoma, and Missouri, being eaviest in northeastern Kansas. More precipitation is in sight in any of the winter wheat states, and if it materializes all this will e very beneficial to the winter wheat crop. This will become very mportant later on, assuming that normal weather conditions should preail during the growing period, as it would indicate a very large inter wheat crop on the biggest acreage of winter wheat ever sown. imilar conditions also exist in Europe. In many countries additionl plantings are reported, ranging from 2 per cent for France to 11 er cent for Lithuania, the only exception being Czecho Slovakia here the government takes various measures to restrict the wheat creage. Therefore, the outlook for higher prices on July and eptember wheat at the present time is not very encouraging, unless ater on a disaster should happen to the crop. It is never a wise olicy to either figure on bumper crops or on crop failures. This articularly so as we already have had four crop failures in succession nd according to the law of averages something better is due. Sentintally of course, a good crop outlook might also have an effect on ay wheat. There is no question that the tendency will be for millers nd consumers to carry over the smallest stocks possible. If the acepted figures on this year's production and consumption are anywhere ear correct, even making allowances for all this, supplies at the end f the crop year will be so much reduced both abroad and here that the ld crop future might yet remain independently strong and possibly adance further. This is based on the assumption that farmers' holdings re extremely light, and that millers will have to draw continually n accumulated stocks at the various centers. Finally we might be left ith only a very small carryover, which will be absolutely needed for afety.

Today's primary receipts were again very light --235,000 bu, which as less than a week ago when they were 245,000 bu and smaller than a ear ago at 260,000 bu. Shipments were again larger than receipts, and hile stocks at Kansas City and Minneapolis show only a small decrease--258,000 bu--we expect that Chicago will decrease again, that Buffalo ill also cut into its stocks considerably, and that the visible supply ill be still further reduced.

Liverpool wheat cables showed firmness again. The action of that arket, in face of what probably will be the heaviest shipping period of exporting nations, is encouraging to the trade. The gain over yesterday was 3/4 to 1¢ per bu.

Trade here in general was light, the undertone firm, and at the lose our May wheat, the chief old trading future, had gained 1/2¢ per u since yesterday.

Corn futures are not much in favor just now in a speculative way, s too many dread the heavy importations. However, they undoubtedly ill all be absorbed, and if they are added to our crop, we still will show a great deficiency from what is normally needed for consumption. Receipts are a little lighter, and for the week amounted to 2,661,000 u versus 3,021,000 bu a year ago. Shipments are also smaller, the ast being freely supplied with Argentine corn. As a general rule when he farmers get busy in the fields receipts drop off a little more, nd then it is likely that our stocks will be reduced to reasonably mall proportions.

Oats seem to feel the excess demand over supplies. Primary receipts today were only 136,000 bu, and shipments 529,000 bu. Large sales of oats out of Chicago were reported today. The visible supply next Monday will probably show a very heavy decrease. It appears to us as if this cereal has great possibilities.

Rye remains strong, but it was more or less neglected. Its statistical position is such that we believe higher prices are probable.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 1, 1937.

We are very much impressed with the continued large, steady, weekly decreases in the visible supply. The decrease this week amounted to 2,616,000 bu compared with 2,153,000 bu a week ago, and 1,514,000 bu last year. This, despite the fact that it is generally recognized and accepted that the flour business is extremely poor. It is so small now it is almost impossible to figure that it could decrease any, and so it must necessarily increase. Therefore, large quantities of wheat on part of millers will be needed sooner or later on this old crop. There is also no dispute and no hesitancy in accepting the Department of Agriculture's figures of small holdings of farmers: any additional requirements could not be filled entirely from that source, and the processors will be compelled to come to terminal markets to supply some of the minimum necessities.

The visible supply has been reduced now to 47,762,000 bu, approximately 16,500,000 bu less than last year. In 1936, by May 1st they had been reduced to 37 million bu, and by July 1st to 22 million bu. It is quite true, last season after this period the decreases were very heavy practically every week, but we see no reason to assume that it will be very much different now. Should this be the case, there is but one answer: namely, stocks at the end of the season at terminal points will be exceedingly low. Also judging from past experiences, no matter what the new-crop outlook might be, if only minimum stocks of old wheat are left, it is not likely that prices could be very cheap.

Chicago stocks also decreased quite heavily, today amounting to 312,000 bu, and the total now is 6,415,000 bu against 7,479,000 bu similar period in 1936. There were again 35,000 bu of wheat sold out of Chicago today. New receipts from the country are very light, a small part being feed wheat and not suitable for human food, and part being high premium wheat which is not likely to be delivered on May contracts. Therefore, in all probability the amount of wheat which will be available next May will be of very small proportions. It is not likely that receipts here for the balance of the season will be very much larger than what Chicago mills alone can consume, but, of course, should the price be high enough it might be attracted from other terminal points. However, this is not probable unless our market and others would be way out of line.

The trade also received great encouragement today from Europe, Liverpool cables showing an advance of 7/8 to 1 3/4¢ per bu. This, in spite of the fact that world shipments amounted to 14,542,000 bu, or almost double what they were last year when they were 7,436,000 bu. We assume that world importations no longer scare prospective buyers, as they feel that European needs are so large the additional quantities which exporting nations are furnishing at this time can easily be absorbed. One more country which usually is not figured on much as an importer has been added to the list: namely, Spain. She is supposed to have purchased about 270,000 bu of Argentine wheat. We have claimed right along that a country which is cursed with a civil war is naturally prevented from cultivating her land the same as in peace time, and we believe Spain will be a large purchaser of foreign wheats either if the war is ended so there will be no physical difficulties, or if the war continues because less wheat will be raised, and some ways will be found to obtain sufficient food for the inhabitants.

Our domestic situation gained further strength from the continued light primary receipts, same amounting today to 363,000 bu against 489,000 bu a year ago. Shipments were larger than last season, comparative figures being 398,000 bu versus 249,000 bu.

The Winnipeg market sympathised more with Liverpool than with us, showing reasonable strength early.

Weather conditions here are not all that is desired at the present time, as some fears exist that temperatures in the Southwest are too low for the best development of the plant, particularly as some

(O V E R)

ice had been formed. So all in all the news in a general way was very constructive.

Nevertheless our market made a very poor showing losing 5/8¢ per bu for the old-crop future compared with Saturday. There is, of course, no accounting for daily fluctuations as very often they are influenced by whims of traders, but possibly the weakness in corn and the extreme lightness of trade may have had something to do with it. Last Saturday the total volume of trading in wheat was only 10,719,000 bu, and today it was also on a very much reduced scale compared with last month; consequently any moderate liquidation might have more than the ordinary effect.

Canadian importations week ended January 23rd were actually less than a year ago --334,000 bu and 561,000 bu respectively; the total, however, is still 4,700,000 bu larger for the seven months.

The weakness in corn we presume must be attributed to competition of Argentine corn, which is still offered in large quantities below American prices.

Oats and rye suffered in sympathy with wheat, both showing declines in spite of the strong statistical position. Oats receipts keep light, and the visible supply decreased 1,751,000 bu, the total now left being 29,470,000 bu, or about 11 million bu smaller than last year. Rye remains in a strong statistical position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 2, 1937.

The wheat market suffers at the present time from a mental state, rather pessimistic, into which many traders have fallen. Ever since it was known that the wheat crop would be a very short one, together with crop failures in corn, oats, barley, and rye, practically everyone came to the conclusion that this will be a year of very high prices and that possibly we would see maximum advances at the end of the crop year when actual scarcity would be severely felt.

There were hardly any shorts in the market at anytime worthwhile speaking of; sellers right along had been hedgers against cash grain and the long interest was made up by traders the world over who purchased wheat for future delivery on an extensive scale with great confidence. Nothing has occurred inthe meantime to change their original views about the short supplies; statistics have worked out just exactly as was anticipated, but nevertheless wheat had declined about 11¢ from the high point and many are naturally asking themselves now if their conclusions as to the value of wheat, even despite the shortage, might have been wrong and if the price might have discounted everything. Therefore, at the present time there is a great lack of new buyers; many of the original holders are becoming discouraged and reducing their lines. In situations like this very frequently markets sell below their intrinsic value, and considering the advances we had and the change in sentiment, the decline probably would have been still greater had it not been for the fact that stocks decreased very heavily right along going into consumptive channels and processors removed some of their hedges during the period of liquidation. It is, therefore, well to consider at the present time whether the original views had been too optimistic or whether the present mental atmosphere is too pessimistic.

As we look at the visible supply and compare it with last year when we finally had only a very normal carryover, we find there is not likely to be any burdensome stocks left anywhere.

At a similar period last year -			this year
Minneapolis had	13,435,000 bu	compared with only	5,496,000 bu
Buffalo had over	10,000,000	" " "a little over	6,000,000
Kansas City had	11,000,000	" " "	10,600,000
Duluth had	4,914,000	" " "	2,111,000
Chicago had	7,479,000	" " "	6,415,000

These are the five outstanding points and, we, therefore, question ourselves where Buffalo, for instance, will be able to obtain its normal supplies after opening of navigation. Usually Minneapolis or Duluth provide her requirements, but this season they will need the bulk of the wheat themselves, and in fact have to buy from other centers to keep their mills going. There is a possibility that Kansas City may have some wheat to spare, but with the very light receipts at the present time it is not likely that her stocks will be burdensome and no doubt will be drawn on heavily by many places.

We, therefore, feel that the domestic situation is as inherently strong as it was at any time and that after millers have reduced their stocks to smaller proportions and enter the market again as wheat buyers, the whole picture might change very rapidly.

Contract stocks in Chicago in public elevators are only 2,637,000 bu. It is to be assumed the wheat in private elevators will be marketed gradually as long as premiums over the May price are existing, and if the public stocks also should decrease, which undoubtedly they will, there will be a comparatively small quantity left here on May 1st for deliveries.

Primary receipts were probably the smallest of any day on this crop, being 147,000 bu compared with 190,000 bu last year. It is, therefore, not surprising that our mills still continue to import Canadian wheat. Net importations for the month of December, according to official figures given out today, were about 3 million bu. If this

(O V E R)

quantity were added to our primary receipts and divided into twenty-five business days, it would mean about 120,000 bu more daily. Total importations from July to December, after deducting our exports, amounted to 23 million bu. This, in the end will make quite a little difference if continued, but will not necessarily be burdensome, as our consumption this year has also been exceptionally heavy.

There was no great encouragement from Europe today; Liverpool cables showed a decline of 1 to 1 7/8¢ per bu, being largely influenced by the break in prices here yesterday. There is some falling-off in the movement in Australia, with a somewhat better demand in the United Kingdom. A little apprehension is being felt about our growing crop, as the weather has been very severe and below normal in parts of the wheat belt; but inasmuch as generally rising temperatures are expected in all sections we doubt whether much damage has been done. It is always well to bear in mind that the winter wheat acreage is a very large one this year. However the tendency was for July wheat to be just a little stronger than the old-crop future. During the last hour sentiment changed considerably, and it required but small buying to bring about sharp advances from the low point. At the close our May wheat showed a gain of 1¢ per bu compared with yesterday.

Pressure on corn continues, it being feared that importations from Argentina will increase when the new crop starts moving freely. We find that so far from July to December total corn importations were only 25,809,000 bu, which after all is only a very small quantity when the tremendous shortage of our crop is considered, but yet it is some help and supplies a great deal of the eastern demand for many purposes. Nevertheless, we cannot help but think that there will be a great scarcity before the season is over, and this even with the full knowledge that greater economies will be practiced.

The statistical position of oats is improving right along, every day there being an excess of shipments over receipts, and stocks seem to decrease continually. The market closed moderately higher.

Rye was weak early but recovered in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 3, 1937.

According to the Dun & Bradstreet February 1 index number of wholesale commodity prices, the position reached is the highest in twelve years for that month; but despite that fact we doubt whether the full effect of the 59¢ dollar has yet been felt. We have maintained for a long time that our commodity price level would increase to the same extent that we have increased the value of gold. Of course, there will be exceptions from time to time in various commodities, according to the laws of supply and demand, but in a general way we still believe that the trend will be upward.

Today's advance in Liverpool prices was quite impressive, values having improved 2 3/8 to 3 1/8¢ per bu, with March wheat in the lead; and this despite the fact that Argentine arrivals in England are becoming heavier due to the recent large shipments put afloat. Some people had been afraid that temporarily at least European markets would suffer from a flood of arrivals, but the Liverpool market has acted very well during the last few sessions; and apparently there are a great many holes to fill, with stocks in the United Kingdom only small at this time. Furthermore it is expected that importers will shortly be better buyers, as flour sales are apt to increase. If we get day-to-day buying it should be enough to sustain the market until offerings from the Southern Hemisphere become somewhat lighter. On the assumption that the Argentine crop was in the neighborhood of 250 million bu, there is presumably about 155 million bu for export, and since wheat started to move about five weeks ago, already 30 million bu have been cleared, so that in the remaining forty-seven weeks there will be about 125 million still available. In Australia there is thought to be about 60 million bu still left for export during the forty-three weeks ending next November.

When our market opened there was immedietely a better feeling, due to the encouragement from abroad and also reports that the export business from Canada had improved, with possibly a million bu taken overnight. Our own domestic situation has been strong for many weeks, but yet a great many traders had become discouraged, owing to the general indifference of the market and the fear that possibly the price had discounted the news so far known.

We continue to believe that receipts will be very light and in many interior points they are already next to nothing, which will mean that processors, in order to obtain their normal requirements, will finally have to come to terminal markets. We pointed out in our letter yesterday that supplies in most important centers were considerably smaller than those a year ago. Should there be any betterment in the milling demand, which is quite light, new buying should come quickly, and we believe that both premiums and futures will improve. Consumption is going on at a steady rate and any lull such as we have had since last December is bound to be only temporary in nature. There were also purchases today of the deferred months, due to the government's weekly report claiming that in the principal winter wheat belt recent conditions have been unfavorable. They pointed out that the southwestern plains are still dry, with moisture needed; and there were also reports from other sections by individual forecasters claiming that the formation of ice in some fields might have caused damage.

We are not sympathetic to the latter, being advised by a number of our experienced friends that there has been enough melting to prevent any serious harm to the plant. In any event the acreage is so large that even assuming a little more than normal abandonment we could still expect a very good winter wheat crop.

Primary receipts today were extremely light, probably the smallest in years, amounting to only 136,000 bu compared with 215,000 bu last year. Stocks so far this week at Kansas City decreased 88,000 bu, with Minneapolis showing no net change. Shipments are not particularly heavy either, as recent business has been extremely quiet.

(O V E R)

Our market remained strong and closed at the best figure of the day, May wheat advancing 3 1/4¢ per bu.

We do not see where any pressure should come from domestically, and certainly hedges will be taken out of the market continuously. The foreign situation is also strong, and part of today's enthusiasm resulted from the great strength in Winnipeg, that market having been in the lead almost during the entire session. There is buying this year by countries like Germany, Italy, Spain, Greece, etc., which ordinarily are unimportant, but in the aggregate their needs may prove sufficient to help the world's level of prices considerably.

Corn demonstrated that the recent liquidation had put the market in a better technical position, and advances came about with hardly any opposition. It is true that Argentine imports will be a factor, but small in comparison to the shortness of the crop.

Oats and rye likewise benefited from the general upturn. Oats receipts are light everywhere, while the demand keeps up pretty well. We feel that this cereal has great merit.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 4, 1937.

There was further demonstration of strength abroad with Liverpool climbing 2 5/8 to 3 1/8¢ per bu, March wheat --the nearby future-- again assuming leadership. This is a rather good showing when it is considered that Southern Hemisphere pressure is still a factor, and estimated Argentine shipments this week were close to 7 million bu. compared to only 1,679,000 bu last year. There were also fairly large clearances from Black sea ports, amounting to 792,000 bu, and a little wheat was shipped from India to the United Kingdom. However, the European demand has improved lately, and with the knowledge that Germany will probably come into the market on a larger scale, it was encouraging to see the purchases by that country which were made yesterday of both wheat and corn. Under these conditions the Buenos Aires market has been somewhat stronger. All this news contributed to improve sentiment which was world-wide in scope. Even the far East took a cargo of wheat from Australia, and some Argentine sales were made to Spain, with the result that greater encouragement was felt in Canada where just a few weeks ago there was some doubt as to whether concessions might have to be made in order to compete with lower prices prevailing in the Southern Hemisphere.

The important factor at the moment is that the potential demand for grains is ever present with supplies none too large, as so many European countries are feeling the effects of last summer's drouth. At home we have a very strong situation, and for four years now we have produced less than our annual consumption. At first this could be overlooked because the excess reserves afforded great security, but as we near the end of the present crop season it becomes more apparent that an adjustment between supply and demand will be very much closer than in many years. Then also we have the question of monetary relationship, for which there is no exact historical parallel in recent times. It is true that there have been periods when gold production has been accelerated to very large proportions and the monetary base was largely increased, but certainly no one can recall any period when there was a sudden 69 per cent increase in the total monetary stock through devaluation. It is the latter, in our opinion, which even the student of economic history may find somewhat difficult to interpret in exact relation to future price structure. In any event, it is certain to cause higher commodity prices in the final analysis, just as the increased production of gold during many periods caused higher commodity values throughout the world.

Today's news was mostly of a bullish character, and milling demand, which for sometime has been extremely quiet, showed a much better undertone, with further hedges being taken from the market to cover overnight sales. This, in our opinion, is likely to keep up, because there has really been a dearth of buying since last December. Likewise, we expect that the primary movement, which is so light at the present time, might become still lighter. If this is the case there will be another good decrease in the visible supply on Monday; in fact, there will be no change in this situation until another crop is harvested. There was, however, a technical pit situation to reckon with, and with considerable profit-taking best prices were made right after the opening, and there was considerable selling presumably against recent purchases.made four or five cents per bu lower. This, of course, keeps the market healthy, and in our judgment will not prevent May wheat from finally selling at still higher prices.

Winnipeg at times was stronger than we, and their situation is likewise sound. Total stocks, exclusive of what is held by farmers and in transit, shows a reduction of 146 million bu from supplies carried last year at this time. In view of this we do not anticipate that the governmental agencies who are gradually liquidating their holdings in Canada, will have any difficulty. In fact, if exports from that country average about 3 million bu per week until the end of the season reserve stocks will be down to the smallest figure reached in several years.

Primary receipts today were much the same as last year --215,000 bu compared with 221,000 bu at that time. Stocks so far this week at Kansas City and Minneapolis decreased 210,000 bu. Canadian marketings were small at 75,000 bu against 134,000 a year ago.

At the close our market showed a decline in May wheat of 1/2¢ per bu, but the deferred months lost a little more ground, as sentiment is rather bearish because of the price, and mainly favorable conditions which exist at the present time for a rather large winter wheat crop.

(OVER)

Corn and oats were stronger at the start, but like wheat found that new buying absorption was insufficient for the liquidating sales. Oats receipts remain extremely light, and are exceeded by larger shipments at terminal points. Therefore, believe that reactions will not extend very far.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 5, 1937

The Federal Reserve Board reported that gold supplies had risen 19 million dollars last week due to imports and receipts of the newly mined metal, making the total stocks the highest on record, or approximately one-half of the world supply. Under the Treasury's sterilization program the expanding gold supply does not cause a corresponding increase in bank reserves, as was the case formerly, but nevertheless enough inflationary factors are present to bring about, in our opinion, generally higher commodity levels. Yesterday, for instance, copper and zinc sold at the highest prices in years, and we are apparently in a cycle where one commodity after the other is influenced from time to time.

Over-night news in wheat was very bullish. Liverpool quotations showed advances ranging from 7/8 to 2 1/4¢ per bushel. The strongest future was again the near month, March, and this despite the fact that Argentine shipments were close to 8 million bushels, which was even more than had been estimated by Broomhall yesterday. However, Australian wheat offers had been firming up and growers are reluctant to sell at present as they are anticipating higher prices next month. There were reports today that Germany had purchased two additional cargoes of Argentine wheat, also that Spain had bought several Plate parcels, which caused a much better feeling in foreign markets generally. British millers appreciate that supplies are being diverted to the Continent and that the approaching famine in parts of Germany and Spain is becoming more evident and gradually the world's surplus will be reduced. Clearances from the Argentine have been very heavy during the last three weeks, 23 million bushels of wheat having left that country. So far the pressure has not been severely felt by European markets, and it is realized that whenever shipments from the Southern Hemisphere fall off the foreign price level should be rather easily sustained. With the further knowledge that Italy would continue to be in the market from time to time, and that her needs for imports are calculated to be about 65 million bushels, compared to only 14 million bushels last year, there was a rather bullish feeling this morning with the result that our market opened sharply higher. There had also been a better milling demand during the past few days, and not only were hedges removed from the futures' market, but there had also been a fair amount of cash wheat sold out of Chicago which created greater strength for our May wheat than the deferred months. Should this situation continue, which seems likely, we would not be surprised to see the old crop month gain further upon July and September.

Over-night export business from Canada was just moderate, but despite that fact the Winnipeg market was stronger than ours at times, probably influenced by the improved sentiment abroad.

Primary receipts of wheat today were 208,000 bu as compared to only 101,000 bu last year. So far this week stocks at Kansas-City, Duluth and Minneapolis show a total decrease of 323,000 bu. We figure that on Monday the Visible Supply will show a fairly large decrease, and this will compare with a shrinkage a year ago which amounted to 2,148,000 bu. Country marketings in Canada were very small at only 70,000 bu versus 101,000 bu last season.

During mid-session markets were somewhat reactionary, influenced by the weakness in securities, but this was only short-lived and at the last our May wheat showed a good recovery, closing at nearly the top of the day for an advance of about 2¢ per bushel.

There seems to be no pressure anywhere, and with the improvement now in the demand for cash wheat, we feel that the line of least resistance remains on the bull side of the market. Of course at the present level of prices there may be times when the market hesitates, but finally we expect to see it go into higher ground.

Corn and oats were influenced by bullish sentiment which prevailed in the leading cereal, and while there was no urgent buying the weakness of yesterday seemed pretty well dissipated.

Rye advanced, and the ban on exports from Poland, which was ordered a fortnight ago, has been indefinitely prolonged owing to fear that the winter crops of both wheat and rye had suffered severely during the recent cold spells. This had some influence here. We feel that this cereal has great merit, and that economies must be practised before fresh supplies come to market from next year's harvest.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 6, 1937

The French franc declined at one time today to 4.65 1/4, which is the lowest price since November 27, 1936. This is attributed to the growing concern over the announcement that the Bank of France had transferred 3 billion francs in gold to the Government's stabilization fund. Recently the discount rate in that country had been doubled, and while there are no sure signs of further devaluation at this time, one must always bear in mind that world currencies have not been permanently settled. As we pointed out some time ago, inflation of one kind or another, either moderate or large, is still a future possibility in many countries.

Our wheat market early today was influenced by a reactionary tendency abroad. At one time prices in Liverpool were as much as 2¢ per bu lower, and very likely the recent purchases by British millers had caused greater independence on their part, at least temporarily. There is the further assurance that for the next few weeks at least world shipments will be very large. On the other hand, there are a great many countries close to a famine basis; and Spain was reported today a buyer of three additional cargoes of Argentine wheat. No doubt, the business would be even greater were it not for the financial chaos that prevents anywhere near normal activity to properly feed its people.

There is, as we see it, a strengthening situation in wheat not only confined to this country. In Canada, for instance, total exports from August until the end of January are in excess of 135 million bu, or about 24 million bu greater than for the corresponding period of the previous season. At the present time the balance remaining for export and carryover is reduced to 116 million bu. This is quite significant when we consider that on August 1, 1936, the carryover had been 128 million bu; and even that figure was construed as hopeful, owing to the fact that great reductions had been made from previous years. Therefore, it is to be expected that in the twenty-six weeks until another crop comes on the market there will be a continual drain upon Canadian supplies. Total stocks at the moment in all positions, including what is left on farms and also in transit, show a shrinkage of 152 million bu from a year ago.

As far as our own situation is concerned, we regard it as being even more bullish. The carryover next July may be reduced to less than 100 million bu, or the smallest in the last eight or ten years. The close adjustment between supply and demand has not been more keenly felt because of the fact that domestic buying has continued only from hand to mouth, and a great many processors have been unwilling to lay in larger supplies than they thought would be needed. This is only natural, as there is a big step-off from May to July wheat of nearly 18¢ per bu, and naturally nobody wishes to carry more wheat into the next crop than is necessary. On the other hand the urgency on part of the seller in reducing supplies, which has lent comfort to milling interests may change soon, and during the last three months of the present crop period we may find a much greater disposition to acquire supplies as further flour sales are made. If this is the case, we should not be surprised to see May wheat gain further upon new-crop months.

Primary receipts were a trifle larger today at 232,000 bu compared with 239,000 bu last year. Very likely the higher price level is causing a slightly better movement from the country. Stocks at Kansas City and Minneapolis have decreased 422,000 bu this week; and the visible supply figures on Monday should show a good-sized decrease again.

Our market showed a very good undertone and weakness was only noted shortly after the opening bell. Winnipeg, which had declined about 1¢ in the first few trades from the previous session, showed the best recovery-- one time selling nearly 4¢ above the low point of the day. This gave encouragement to our local traders and with the broadening of speculative buying May wheat kept in the lead, showing an advance of 1 1/2¢ per bu for the day.

Corn was helped some by the bullish sentiment in wheat. However, the nearby month, which is commanding a big premium over deferred futures, was the weakest and lost ground. Apparently demand is none too keen, due to Argentine imports and present arrivals from that country. Oats and rye were somewhat better also, although trade in these cereals was comparatively small.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 8, 1937.

Prices in Liverpool were somewhat higher but the full advance on this side was not reflected in foreign futures, due to a rather small inquiry on part of millers in the United Kingdom and also the heavy world shipments, which amounted to 15,474,000 bu compared with only 11,700,000 bu last year. Even the clearances from Canada were quite large, possibly due to engagements which had been consummated at an earlier period, although smaller than last year when 5 million bu had been put afloat. The amount of wheat which is now on ocean passage is about the largest in many years at 57,120,000 bu, and is practically double what it was for the corresponding period of last season when only 29 million bu were on the ocean for importers' use.

When our market opened we paid very little attention to foreign advices, as weather in our Southwest had been rather dry over the week-end, and some of the map readers who had figured that either rain or snow was likely were disappointed in today's results. Furthermore, there is not much likelihood of the Southwest being benefited for the next few days, and this caused somewhat of a scare owing to the fact that dust storms were reported in a number of localities. We admit that February is very early to become apprehensive, since the winter wheat plant is still dormant, and yet, with the background of drought such as we have had for two or three years, one is naturally a little more concerned than in ordinary times. Amarillo, Texas, reported that they had some rather high winds towards the close of the week, and possibly some damage due to blowing; therefore, we presume unless relief comes within the next ten days further complaints may be heard. There is no doubt that plenty of moisture will be needed during the spring, at least in the western sections of Nebraska, Kansas and Oklahoma, and until this comes it may be that short covering will take place in the deferred months and possibly some unwinding of spreads between May and July, where traders had assumed a very confident air, hoping that the strong domestic situation on this crop would make itself more felt in the nearby than in the distant months.

After an opening bulge, which carried prices about 1¢ a bushel higher than Saturday, sufficient profit-taking set in to cause reactions here and the new buying was on a much smaller scale than it had been last week. It suggested, therefore, that at the present level of prices some caution was needed, and we believe that this will probably be the case until new market incentives come into the picture.

At no time did our market become very weak, and we believe that some of today's buying was inspired by the great strength in corn, which in turn came about because of the light receipts for a Monday, and realization that at no time would accumulations take place on a large scale unless it be through importations. As a matter of fact the corn visible supply actually showed a decrease of 543,000 bu, with total stocks now amouhting to 13,814,000 bu.

As far as statistics were concerned in wheat, there was no great surprise anywhere. The primary movement was a little bit larger than of late, showing 378,000 bu of wheat received, but the bulk of this was at Kansas City, apparently some shipments having been made from the interior, This was a trifle larger than a year ago, but much in line with figures of a week ago. The visible supply when it was finally posted showed a decrease of 2,262,000 bu. There had been some delay due to the fact that Buffalo finally showed a shrinkage of stocks, whereas the preliminary figures had shown in error a slight increase.. There is now 45,500,000 bu in the total visible supply, which is a reduction of 16,075,000 bu from last year. We feel that supplies will continue to decrease until next harvest. Likewise, we figure that Chicago will not be burdened with heavy reserves. During the week there had been a decrease of nearly 400,000 bu, and the total is just in excess of 6 million at this time.

Therefore, we continue to believe that regardless of temporary fluctuations finally May wheat will remain relatively strong. At the close our market showed an advance of 5/8¢ per bu for the nearby month. There was comparative strength today in the deferred futures due to crop scares; some reports from western parts of Oklahoma, Kansas, and Texas claimed that the dust situation was the worst since last summer.

Corn, as previously stated, was in much better demand, and a good deal of encouragement was given to the trade because of light receipts.

The oat trade was not particularly large, but the market held firm in sympathy with the yellow cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 9, 1937.

Today's market illustrated once more our semi-dependence upon Liverpool, even at a time when we are not on an export basis. Futures abroad showed declines ranging from 1 7/8 to 2 3/8¢ per bu, and this had its immediate effect upon Winnipeg, which in turn influenced us. For a long time it seemed difficult to stage much of a recovery from the opening break. There was no change in the general tenor of news, except that beneficial rains had fallen in India and this was claimed to arrest further deterioration of the crop. However, there has been a fair import business into the United Kingdom recently and very likely immediate needs have been satisfied for the time being; but with new customers like Germany taking about 1 1/2 million bu overnight, we continue to feel that sufficient supplies will be diverted to the Continent to finally bring Britain back into the picture as a buyer. Her total takings of both wheat and flour so far this year were slightly smaller than a year ago, and since her consumption does not vary a great deal from one year to another, we figure that she cannot remain out of the market for any sustained period. Broomhall reports that stocks in the United Kingdom are down to 7,600,000 bu, which is a decrease of 1 million bu from a month ago. All other grain stocks he claims are smaller than last month.

Despite the holiday at Buenos Aires some business was passing, and we understand that a number of offices were open ready to do business according to regular routine.

The immediate outlook abroad, despite bullish conditions, is somewhat difficult to foretell. In view of the large floating stocks possibly demand might remain quiet for a time, although everyone knows that this situation will change in a few weeks when offerings from the Southern Hemisphere diminish.

There were no further reports from our southwestern areas dealing with dust storms, although there had been no change in weather conditions overnight to bring about any relief. It is generally known that the dry areas in western Kansas, the Panhandle of Texas and western Oklahoma are in urgent need of spring moisture if we are to get anything like a normal crop. It is true that whatever dust storms have occurred so far were very light, but yet the trade is reminded from previous years of possibilities, and for that reason the effect upon the deferred months is probably greater than it might otherwise be.

According to the January official weather report for the state of Kansas, the average precipitation over the eastern third was 2.33 inches, the middle third 1.47 inches and the western third 0.39 inch; and for the state as a whole 1.40 inches. This was 0.73 inch above normal and exceeded the amount for January the previous year by 0.69 inch. It will be observed from the above how unequal the moisture distribution has been, but yet when reports are heralded from western sections very little is being reported by the larger areas, which apparently are still in a fairly satisfactory condition.

New pressure upon our market is very light. Primary receipts today were only 157,000 bu and compare with 146,000 bu last year. Stocks for one day in Kansas City showed no change, while in Minneapolis they decreased 90,000 bu for a three-day period. On this basis the visible supply shrinkage on Monday might be somewhat smaller, particularly as next Friday is a holiday.

At the last declines were only fractional, May wheat showing a loss of 1/8¢ per bu. The fact that a recovery was possible at Winnipeg, and also the comparative firmness in corn were factors which lent some encouragement to the local trade, and it required but moderate buying to lift values from the early depression.

The yellow cereal was in fairly good demand. At no time did it show signs of weakness, possibly influenced by the small primary movement, which was only 384,000 bu compared with 537,000 bu a year ago. In the Southwest, where the drouth last summer had been so severe, they are paying high prices. Today, for instance, a car of #5 yellow corn, 21.4% moisture, sold at 5 1/4¢ over the Kansas City May future. It will require, in our opinion, a great deal of imported corn to make up for the domestic deficiency.

Oats and rye were weak early, but also showed a better sentiment as soon as improvement occurred in the leading cereal. Trade, however, in the latter two pits was not very large.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 10 1937.

It is axiomatic that price is the best regulator of production. This even refers to gold; and we have seen after the price was advanced to $35 per ounce how mining operations increased in practically every country. The great incentive on marginal mines was no doubt a factor. In our own country during 1936, the production of gold increased about 17 per cent over that of 1935. Indications are that the gold output of the world last year established a record both as to quantity and to value in dollars. Exclusive of Russia, the output is estimated at 27,910,000 ounces compared with 25,160,000 ounces the previous year. We also have knowledge that in Russia last year the Soviet was second to South Africa in production. The actual figure is guarded; and foreigners are not permitted near the centers of operation, although estimates place the 1936 production somewhere between 300 and 350 tons versus 248 tons in 1935. This, in our opinion, is very important, because each time new gold discoveries were made it had the effect of raising commodity prices; and certainly in the long run is inflationary when the yellow metal increases so rapidly.

We have seen recently how one commodity after the other has joined the upward climb. Today for instance, coffee contracts are at the highest point in several years, while export copper has reached a new top since 1930; and zinc futures have touched a peak since 1934 when trading began. Even labor, which is somewhat slower to fall in line, is beginning to show an upward tendency.

When our wheat market opened this morning it benefited from a better sentiment generally. Higher prices were recorded in Liverpool, quotations showing a rise of 1 1/2 to 1 7/8¢ per bu. Germany it seems, which is near a famine basis, has finally been compelled, despite monetary troubles, to make further purchases of Argentine wheat. It was also claimed that that country had bought 1,840,000 bu of Czecho Slovakian wheat. After yesterday's sharp decline abroad, the technical position of the market had been corrected and a good recovery set in. The advance at Buenos Aires was also a firming influence; we believe that the situation in the Argentine will become stronger from now on as clearances of grain are tremendous, and more than 20 million bu of all grains were reported shipped during a single week. Wheat stocks remaining for export and carryover now total 119 1/2 million bu, with 46 weeks until another crop comes on the market. This shows the effects of strenuous efforts to export grains at a very rapid rate. As far as Australia is concerned, the visible supply is about 76 million bu, or 6 million bu larger than last year.

It is interesting to note that since August 1st world's wheat shipments to Europe are 47 million bu larger than the previous season, while ex-European countries have taken 3 million bu less. We feel with the entry of countries like Spain, Germany, Italy, and Greece into the import column on a fairly large scale, that Broomhall's figures of total requirements will easily be reached.

As far as our own domestic situation is concerned, there was no very important news. The Kansas Weekly Crop Report stated that several mild afternoons during the past week with sunshine removed most of the covering of snow and ice that had lain over a large part of the eastern two-thirds of the state. Reports generally indicated that the wheat plant had emerged with no damage except possibly in low places, although at the present time alternate freezing and thawing might do some harm. There had also been some dust storms, but these were confined mostly to the western areas.

There was some improvement in the milling demand, although a few are of the opinion that both the trade and bakers are either fairly well bought ahead, or else they have little faith in present prices and are just acquiring supplies from hand to mouth. There is still a little wheat coming in from Canada, despite the 42-cent per bu duty; this past week 359,000 bu were admitted. From June 29 to January 30 we imported a little over 25 million bu, which is about 5 million bu more than for the previous season.

(OVER)

Primary receipts today were again light at 219,000 bu with no comparison with last year when there was a holiday. Stocks so far this week at Kansas City and Minneapolis show a decrease of 284,000 bu.

At the close May wheat showed a gain of 3/4¢ per bu from yesterday. Best prices were not maintained owing to profit taking, and also weakness in the corn market. However, the undertone was strong, but deferred months were occasionally under pressure, traders having in mind that the present price of July wheat was high if we get any kind of a winter wheat crop next summer.

The yellow cereal, as stated above, was slightly lower with industries being reported withdrawing from the cash market for the time being. This also had somewhat of an effect upon oats and rye, where little headway was made, and the close of the latter two cereals was about unchanged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 11, 1937.

Liverpool had ignored the late weakness in North American markets, and prices this morning were steady due to further inquiry for wheat by Germany. No actual sales were reported today, but yet rumors were to the effect that some Manitoba wheat had been taken and this was regarded as significant, following the very heavy buying of wheat by Italy recently and also the re-entry of Spain into the market, several cargoes in nearby positions having been contracted. Broomhall claims that he was advised sometime ago that Germany might require as much as 37 million bu of wheat, although his own estimate is for only 20 million bu, plus possibly some coarse grains. There can be no doubt that a real food scarcity prevails and there will be no relief from this situation except through imports until another harvest is at hand. As a matter of fact butter and fat cards are now everywhere in use under a system of rationing food supplies, while eggs and some other foods are still scarce and may be had only by householders who consent to buy other things that they do not require.

With this being the case we feel that the world wheat situation is somewhat strengthened by the potential demand from a country that for several years has been more or less independent. What has really happened was that a policy of economy had been practised to such an extent that after three years of under-average crops, surpluses previously accumulated had of course reached the vanishing point, and during the next five or six months money must be found by some means to make up the home deficiency of foodstuffs.

Other foreign news was not very important. Persistent rains in France, while having caused some flood damage, were not considered serious to crop development, but might even afford good moisture for spring growth. For the time being Europe is getting ample supplies owing to the heavy shipments from Southern Hemisphere. This week clearances from the Argentine are estimated to be 6,797,000 bu . It is a somewhat smaller figure than last week, but compares with only 1,319,000 bu put afloat a year ago.

Our market upon opening was influenced immediately by the better tone in foreign markets, but there was sufficient profit-taking to reduce the initial gains and new buying power could only absorb this selling at some sacrifice in price.

It is too early yet to become apprehensive about our winter wheat crop. Dust storms at this time of the year are not overly important unless we have a very dry spring. At that most of the damage so far reported was in the western sections. The Oklahoma crop report claimed that condition was poor in the extreme western portion, due to insufficient moisture, but that it was fair to good over the remainder of the state. In Texas we are advised by a very good friend that about 5 million acres of wheat were sown last fall. Of this amount 2 million were in perfect condition. There was another 2 million acres requiring rain, but still had plenty of subsoil moisture to carry on for a while. This left 1 million acres which were very doubtful, but in view of the large planted area we could still expect very good returns; and, therefore, see nothing at the moment in the way of pessimism. Should the final results of next year's crop be good, we would regard present price of July and September wheat as too high, but this is not likely to alter the situation as regards this year's supplies; and we feel with the shrinkage in practically every terminal market that a tight situation will develop between now and May and that finally all the cash wheat will be wanted.

There was claimed to be 56,000 bu sold out of Chicago today, and even with the milling demand just moderate, there is no chance of replenishing reserves; therefore new pressure upon the market is extremely light.

Primary receipts of wheat today were 285,000 bu, which was somewhat larger than of late, and compares with 205,000 bu for a two-day period last year. Kansas City, Duluth, and Minneapolis show a total decrease so far this week of 441,000 bu, and despite a holiday we think that on Monday the shrinkage will be fairly substantial and will compare with a decrease of 1,976,000 bu last year.

The market as a whole was inclined to lag, and even the settlement of the automobile strike failed to arouse much buying enthusiasm. At the last May wheat showed a decline of 1/4¢ per bu for the day. Some pointed to the slow flour demand, particularly in the Northwest where

(OVER)

mills had ground only 39 per cent of capacity last week compared with 57 per cent last year. This, in our opinion, is not a very bad showing in view of the crop failure in that part of the country, where it would be difficult to carry on normal production except through larger importations.

Corn was inclined to weakness almost from the start. Possibly the Argentine imports are a factor at the moment. It is expected that 2,362,000 bu of corn will clear Argentina for North America this week; and this will undoubtedly lessen the demand at the seaboard.

Oats and rye were affected by the general indifference, and a few small selling orders brought about fractional declines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 13, 1937.

While we were observing a holiday in Chicago yesterday, foreign markets were open, and moderate to healthy advances took place everywhere. The greatest strength was in Winnipeg where wheat closed yesterday 1 3/4¢ per bu higher, and rye was as much as 3 1/4¢ per bu higher due to some buying by a Continental house. Those traders who were at their offices yesterday and were watching the market had felt that we would be greatly influenced this morning. However, there was an offset early today when quotations at Liverpool were somewhat indifferent. July wheat there closed 1/4¢ per bu lower, while the other two futures advanced only 1/2¢ per bu. This can probably be best explained by the fairly large shipments still being put afloat by the two Southern Hemisphere countries. The contribution by Argentine for the week was a little over 7 million bu, while Australia shipped 2,612,000 bu; and despite some decreases from the previous week we believe that world shipments on Monday will be quite large.

Press dispatches from Berlin claim that reports abroad of German food scarcities are "a grotesque exaggeration". Possibly some over-statements are being made, but the fact remains that yesterday's purchases of wheat by Germany in the Argentine amounted to 3,680,000 bu, and also 2,346,000 bu of Argentine corn, which is certainly a different policy from what has been pursued in the last four or five years when the Reich was practically independent of exporting countries

There was some disappointment shown here this morning when Winnipeg reacted rather vigorously after yesterday's demonstration of strength. It is quite true, that market has gained considerably upon Liverpool lately, but the figures show conclusively that Canada is getting into a more comfortable position each week. From August 1st to February 5th total exports of wheat and flour were 139 million bu. This is 22 million bu greater than for the corresponding period of last season. It means that as of this date the balance remaining for export and carryover is reduced to 113 million bu. When we compare this with 128 million bu actually carried over from the previous crop/season, it is not difficult to conclude that an entirely different picture will prevail on August 1, 1937. Looking at it from another point of view, we find that total stocks in all positions in Canada, including the amount on farms and in transit, is down to 125 million bu. This, of course, includes some wheat which will be used at home for domestic consumption, but shows a reduction of 143 million bu from supplies that were on hand a year ago at this time.

Primary receipts for two days were 414,000 bu compared with only 134,000 bu last year. So far this week stocks at Kansas City and Minneapolis showed a decrease of 521,000 bu.

For a long time our market seemed uninspired by any of the bullish news at hand. However, when reports over rather wide areas told of dust storms and high winds a better class of buying came into the pits, and the future, which we regard as intrinsically the strongest --namely, May wheat- advanced at one time 3¢ per bu, with trade broadening somewhat with the rise. At the last, however, there was some profit-taking, and the nearby future was 2 1/2¢ per bu higher than the close on Thursday. A new high on the crop was established, and we believe that this in turn will bring mill buyers into the market, and that finally still higher levels will prevail. However, the price has reached a point where some caution is necessary, particularly if any moisture would occur within the next ten days over the southwest territory, where at present no relief seems to be in sight.

Corn was helped more by the advance in wheat than by anything else. Sentiment at the start was bearish owing to the fact that the present demand was only moderate, also because it was figured that with additional arrivals from the Argentine possibly the price discounts the situation. We feel that sympathetic advances are likely, as new pressure upon the market is very light.

Oats were likewise benefited by the sharp advance of the leading cereal.

Rye for the first time in many weeks showed real strength. There are no imports likely from other countries, and we believe that the intrinsic situation in this cereal is still very bullish.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 15, 1937.

It seems that England is buying only enough supplies at the moment to take care of immediate requirements; and seems to feel reassured as long as world exports of grain remain as large as they are at the moment. This week these shipments amounted to 13,491,000 bu. This was a decrease of about 1 million bu from the previous week but compared with only 9,357,000 bu a year ago. If continued at that rate for a year it would mean total imports for various countries of 700 million bu. Of course, everybody knows that this will not be the case and that the pressure from Southern Hemisphere will diminish after a few weeks. Nevertheless there is at the present time an unusually large amount of wheat on ocean passage: namely, 53 million bu compared with only 31 million bu in 1936. There should be fairly large arrivals on the other side as cargoes are unloaded, which might for a time depress values in Liverpool further. But in view of a fairly good demand which is taking place from Germany and Spain, which were formerly not important countries, we doubt whether there is any need for alarm. It is thought that Germany has already taken about 7 million bu of foreign wheat and might require an additional 13 million bu as a minimum, besides a large quantity of foodstuffs, so that foreign weakness could change very readily.

Quotations at Liverpool today showed rather sharp declines, ranging from 7/8 to 1 7/8¢ per bu, the nearby month feeling the pressure the most. This had its effect both in Winnipeg and in Chicago, although there was one offset here: namely, dust storms, which were reported over a rather wide area of our Southwest. It is difficult to hazard a guess as to the number of acres actually involved in this distressed area, but it is safe to say that not all of the points reporting dust are really in serious condition at this time. By that we mean that the soil everywhere is not being blown, but in some localities there is dust in the air which comes in from other territories; and this is probably the case in central and eastern sections of Kansas, where moisture conditions have been more favorable than they were in the West. One would ordinarily not pay so very much attention to the actual dust reports were it not for the fact that during the last two years they had played such an important part in wrecking the crops where they occurred. If we were to assume that no more moisture would come during the spring, we could join the ranks of the pessimists, despite the very large acreage which has been sown. But feeling that more often we have rain during the spring than dry weather, we still believe that it is a little early to become overly apprehensive.

Primary receipts today were fairly heavy at 421,000 bu compared with 285,000 bu last year. The visible supply showed another good decrease of 2,018,000 bu. This places total stocks at 43,482,000 bu as compared with a little over 60 million bu a year ago at this time. Should supplies continue to decrease at the present rate, we feel that on May 1st, we shall be down to extremely low figures. Furthermore, Chicago is shipping out a lot of wheat, and our stocks here showed a shrinkage for the week of 433,000 bu. There is all told in elevators only 5,586,000 bu, which is rather small, however, when one considers the large open interest of nearly 64 million bu in the nearby month.

Trade on the whole was very choppy. May wheat had lost some of its friends owing to backspreading with the deferred futures. The fact that so many dust storms were at hand brought about considerable buying of July and September wheat against sales of the May. The latter at the close showed a decline of 3/4¢ per bu. We do not look for a great deal of narrowing because even with the limited milling demand enough wheat is going out of Chicago to make the sale of May wheat rather hazardous.

Corn was fairly firm during most of the session, although the cash basis was easier. The visible supply showed a decrease of 609,000 bu, and apparently no accumulations can take place. There is all told 13,205,000 bu in various positions, but a year ago we had less than 5 million bu.

Oats likewise had a fairly good undertone. Supplies keep decreasing, and we believe that this cereal continues to have merit.

Rye, on its own initiative was strong with only small buying orders at hand.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 16, 1937.

Continental buying has subsided somewhat for the time being and uch of the foreign news was of a bearish tenor this morning, probbly due to the very large amounts of wheat that are now on ocean assage. It developed, however, that moderate buying took place on he break and Germany was reported to have taken about 375,000 bu f Argentine wheat afloat. Nevertheless, Liverpool closed at the eakest point of the day, declines ranging from 2 1/8 to 2 3/4¢ per bu, he nearby delivery suffering the most. It was claimed that moderate uantities of Canadian wheat were arriving on the other side unsold. here is nothing unusual in this and we still believe that the bulk f the wheat that has been shipped recently was on orders, and a good eal of it we know is destined to Italy where a very large business as put through earlier in the season. It is a fact, of course, that he heavy pressure from the Southern Hemisphere is being felt temporrily, and as we pointed out in our letters recently, this may coninue for another few weeks.

Since the first of the year floating supplies have increased bout 26 million bu, and this will replenish supplies abroad as caroes are unloaded. Nevertheless, it has the reverse effect upon exorting countries because pressure to sell will diminish somewhat ith the large shipments that have already been forwarded.

We have maintained and still believe that the domestic situaion is stronger than the world situation. Outside of moderate imorts which take place each week from Canada, we will not have much dditional pressure until another crop is harvested. Knowing that he carryover at the end of the season will be the smallest in ten ears, it is almost a foregone conclusion that a great many elevators ill have many empty bins by next May. We are mindful of the fact hat the milling demand is still poor; but yet a normal consumption n this country of about 40 million bu each month is sufficient to ore than take care of current arrivals, and as we have seen there re inroads being made upon stocks accumulated at terminal markets. uffalo will no doubt need lots of wheat after opening of navigation. e have seldom seen supplies as small as they are this year, and here is no possibility of replenishing without drawing from distant oints. Even in Kansas City, where great weakness exists, there is robably less than 8 million bu of wheat available, making allowance or the amounts that are held in store but already sold. We are onvinced that finally there will be a tight adjustment between upply and demand. Here in Chicago wheat continues to be sold, about 0,000 bu having been taken overnight, so that in another month or wo we shall probably find very small quantities overhanging the arket.

Primary receipts were moderate today at 251,000 bu compared ith only 138,000 bu last year. So far this week stocks at Minneaolis and Kansas City show a decrease of 226,000 bu.

The market was unable to stage much of a recovery from the low evels established today. The fact that Winnipeg was so weak, in ddition to the sharp break abroad, was a discouraging feature, and t the last May wheat showed a decline of 1 7/8¢ per bu. New crop onths were comparatively firm, and the spread narrowed nearly a cent bushel.

There were fewer reports of dust storms, and while rains seem o be badly needed in the dry sections, we understand that the plant s dormant everywhere and can probably go another two to four weeks ithout moisture, and probably no great damage will result. It is oubtful whether the dust storms so far have done much harm, but, of ourse, the longer we go without rains the more imperative it will e that they come when the growing weather sets in; otherwise, abandonent may be heavy and in places the final returns will be poor, as as the case last year.

Corn was weaker today as general sentiment on the floor was earish in all pits. This had its effect also upon rye and oats, here lower closing prices were registered.

Rye, in our opinion, has great merit. The bulk of the visible upply is located at Minneapolis, Duluth, and Chicago, where the conumptive demand is the greatest. There are only about 4 million bu n the total visible, and whenever shorts try to cover we feel that igher prices will prevail.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 17, 1937.

Sentiment in the grain trade has become somewhat more bearish. Broomhall has been reporting Canadian wheat reaching Europe without much buying interest, and he has called attention to the fact that millers on the other side are somewhat reluctant in making new purchases at present premiums over Plate wheat. In some cases of course they have to take advantage of present offers for mixing purposes. It was reported today from Winnipeg that over a million bushels of wheat had been worked for export, so in our opinion the situation is not entirely hopeless. This is particularly true as Southern Hemisphere will be a factor for only another few weeks, at least to the extent of putting such heavy shipments afloat.

At one time today prices at Liverpool had rallied substantially due to the fact that Germany had taken two additional cargoes of Argentine wheat, and besides it was reported that China was in the market for some Australian wheat. The best prices, however, were not maintained and at the close values had risen only from 5/8 to 1 1/8¢ per bu compared with yesterday.

For the next few weeks we must contend with the continuation of pressure from the Southern Hemisphere. Farmers in the Argentine are very well pleased with present prices and seem to be rushing their grain to market; but it is only a question of time now before receipts will become very much lighter. This same is true but on a smaller scale with regard to Australia, where new wheat began to move about eleven weeks ago and since that time almost 25 million bu have been exported. It may take a little while before Europe can absorb everything which has been put afloat. During twenty-eight weeks ending last Saturday, total world shipments to Europe are slightly in excess of 253 million bu, which is an increase of about 56 million bu over last year. The total for ex-Europe is 70,812,000 bu which is about 4 million bu less than last season. Of course, European requirements will be considerably greater this year than last, owing to the fact that Europe also suffered from a drouth and poor crops were realized in countries like Italy, Spain and Germany where imports have become necessary and would probably exist on even a larger scale were it not for bad financial conditions which are restricting this type of trade. The world visible supply, which includes on passage stocks, also the wheat in Argentina, shows a reduction of 125 million bu from what was carried at the corresponding date a year ago. The greatest shrinkage of course is in Canada where the visible supply is down now to 92,605,306 bushels. This does not include the small amounts in transit and held by farmers, but compares with 234,803,937 bushels on hand last year.

Primary receipts were quite fair today at 286,000 bu compared with 161,000 bu last year. So far this week Kansas City and Minneapolis show a total decrease of 384,000 bu. There is a little wheat coming in from Canada right along, and imports for the past week totaled 385,000 bu. From June 29th to February 6th, 25,419,000 bu had been admitted for consumptive purposes.

Our market was again without particular trend except that the deferred futures responded to the reports of dust and high winds blowing from scattered sections of the Southwest. Inasmuch as there was no relief suggested, according to the map, July and September wheat again gained on the May wheat with a number of operators inclined to reduce engagements which they had. At the last May wheat was unchanged from the previous session. There had been a fairly good recovery from the early weakness which was caused presumably by stop-loss orders and also a lower corn market. The fact, however, that Winnipeg was able to hold its own pretty well was regarded as rather constructive.

Corn at one time was quite weak, but showed fair recuperative power. After all the crop was small so that economies must be practiced to take care of domestic needs; besides which Argentine imports will probably continue, but in our opinion will not prevent good prices being realized by the farmer.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 18, 1937.

The wheat market has become dull indicating that new trading ncentives are necessary. Had it not been for a number of dust torms which were reported in western sections, the chances are that e would have had further weakness here. Continuation of dry weather as about the only sustaining influence; and while many in the trade till believe that it is too early for actual damage to take place, ome are mindful of what happened during the past few seasons when oisture was delayed. We feel that finally the picture will change, nd more activity will develop either when there is a revival in the illing trade or else when we get encouragement from abroad. The atter is not likely for several weeks yet, as pressure from the outhern Hemisphere continues; estimated Argentine shipments this week ere in excess of 7 million bu, which is still very large and compares ith only 1,269,000 bu actually shipped a year ago. There is no wheat eing shipped from Russia, and even Black sea shipments are quite mall considering the size of the crop; for the week they were 296,000 u against 680,000 bu last week, and 192,000 bu last year.

Looking a little further ahead we are convinced that Southern emisphere pressure is bound to lessen. The indications are that from 5 to 100 million bu of the Argentine surplus wheat has already been old. This is on the assumption that the crop was in the neighborhood f 250,000,000 bu, affording a surplus above domestic consumption of bout 155 million bu. In other words, with one-half of the surplus isposed of, and possibly as much as two-thirds, it will mean that in few weeks buyers abroad will find it less easy to get their supplies.

At one time today Liverpool advanced about 1¢ per bu on reorts that Germany was inquiring for further quantities of Argentine heat, but with a very slow demand in the United Kingdom prices eased ff, and at the close showed a loss of 1/2¢ per bu.

Dust storms at the moment are having but a moderate effect upon rices. According to the Oklahoma Weekly Weather and Crop Report, he situation last Monday was rather severe when a heavy dust covered he entire state, and reduced visibility to less than 100 yards in ortions of the Panhandle. The statement goes on to say that condiion of the crop is fair in the central and eastern sections, but ather poor to very poor in the western section. Rain is now urgently eeded in most of the western half of the state. It is thought that bout 5 million acres are involved in the real dry areas of the Southest, which includes the western parts of Texas and Kansas as well, ut with moisture in the next two or three weeks the situation is by o means hopeless.

Primary receipts today were quite large at 320,000 bu versus nly 194,000 bu last year. Kansas City and Minneapolis stocks dereased so far this week 458,000 bu. Carlot receipts at interior oints make a good comparison with last year, and this, no doubt, is ue to the satisfactory price that the farmer is receiving, because ven compared with last year May wheat is considerably higher --posibly as much as 37¢ per bu; also the fact that July wheat remains at large discount, which means that the farmer's bins will be swept retty clean in an effort to market most of his grain on this crop.

Even with this the case, we feel that the adjustment will be lose, and that our carryover will very likely be the smallest in the ast ten years.

In spite of a very bearish sentiment local traders made little eadway; and this we believe is the case because intrinsically wheat s worth the money. The fact that there had been more shorts made he market a two-sided affair, and the moment buying orders came into he pit there seemed to be a rush to even up commitments. At the ast May wheat showed a slight improvement from the previous session, dvancing 1/2¢ per bu, while the deferred months gained more.

Corn was under liquidating pressure, and the fact that the arket has made no progress recently, increased bearish activity at east locally. The May future lost on the distant months.

In rye a good many discouraged traders sold out long commitments, nd new buying power seemed unable to absorb offerings except at conessions.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
' YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO February 19, 1937.

Argentina continues to export her crops on a very large scale, nd this refers to corn as well as to wheat. Since the start of the ear the wheat shipments have averaged about 7 million bu, and this eek they were very large again, actually amounting to 7,882,000 bu. roomhall intimates that had there not been congestion on part of the ailroads, which were delaying many steamers, shipments might have een even larger. From January 1 to date there has been a total of 1,732,000 bu shipped, although it is not having as depressing an efect upon Liverpool as one would imagine. Actually quotations there losed 1 1/2¢ per bu higher today, showing that European absorption s also healthy.

The fact of the matter is that Italy alone has bought about 26 million bu, and, therefore, what apparently seems like tremendous on-ocean passage stocks might be considered as more moderate, when account is taken of the fact that quite a little grain is destined to countries which for the past few years have not figured as importers of wheat. It is even claimed that some of the distressed wheat on the other side is being gradually absorbed, and local millers in the United Kingdom will have to buy from time to time as their consumption is almost at a constant rate. If some plan could be devised so that Argentine shipments were spread more normally over a greater period, European markets would be less demoralized, but yet farmers are well pleased with prices they are receiving and, therefore, the present merchandising policy will probably be continued until the bulk of the surplus has been reduced.

Now as far as the other export nations are concerned, we do not believe that their problems will be so great. Australia shipped this week 2,397,000 bu of wheat, and the remaining surplus is estimated at only 57 million bu as compared with 71 million bu last year. Canada also is in a much more favorable position. Since August 1 she has exported in excess of 141 million bu, or 20 million bu more than last year. At the present time there only remains for export and carryover 110 million bu, so we have no hesitancy in saying that her stocks will be down to almost minimum proportions before another harvest. At the present time supplies in Canada are 147 million bu less than they were a year ago, so we do not feel that the world situation is overly bearish.

As for our own domestic situation, it could finally be very strong regardless of what happens elsewhere. Imports into this country are on a much reduced scale now. The visible keeps decreasing every week, and while cash markets had been weak during the last few sessions, we think that this is largely due to the heavier carlot receipts at interior points, which in turn may be caused by selling before tax period. Most of the elevator people are acting quite differently from the way they did last year. Instead of waiting for the mills to take on supplies, they have pushed wheat into consumption. Chicago stocks will undoubtedly show a good decrease again on Monday, and 105,000 bu were sold from this market overnight. The only place which really has fair-sized stocks is Kansas City, and even there we believe that a tight situation will prevail after navigation opens and Buffalo needs larger supplies.

Primary receipts today were fairly large at 367,000 bu compared with 252,000 bu last year. So far this week stocks at Kansas City, Duluth, and Minneapolis show a total decrease of 575,000 bu.

Our market gave a good account of itself, absorbing quite a bit of liquidation by a good many holders, who temporarily wanted to stay on the side-lines. Sentiment is becoming somewhat more bearish on July and September wheat because of the present high prices of these new-crop futures.

(O V E R)

Even assuming that 10 million acres of winter wheat might be killed, we still could have a fairly good crop, and should there be moisture within the next two weeks great changes might take place. The Modern Miller suggests that some damage has been done due to dust blowing and the high winds, but the area is small as compared with the total seeded last fall for the 1937 harvest. They say, of course, that moisture must be received shortly to prevent deterioration, but this is the case in most years during the spring months.

At the last our May wheat showed an advance of just 1/8¢ per bu, having gained slightly on the other futures. September wheat is in better demand, and we think that if there is any kind of a crop it might finally sell at a carrying charge over July.

Corn was weak at times in sympathy with wheat, but fair recoveries took place. Receipts are not burdensome. The only worry is that with Argentina shipping as much as 8 1/2 million bu this week, some of it is bound to come to American shores, and at least relieve the domestic situation near coast points.

Rye and oats were somewhat neglected, and no great changes were shown during the session.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

February 20, 1937.

The chief news overnight consisted of wide-spread reports of snows that had fallen quite generally in Kansas. These also extended to parts of Oklahoma and Texas, but in the latter place, were spotted and less beneficial. As the session continued more reports poured in, showing as much as 4 to 5 inches of wet snow even in western Kansas where the moisture deficiency has been the greatest. This coming at a time when the soil is so receptive will do a great deal of good. It must be borne in mind that 5 inches of snow actually measures only 1/2 inch in moisture, but where it is wet like at the present time and can sink into the soil slowly it is bound to change the picture as far as the new-crop situation is concerned.

Even before these snows had occurred we doubt whether a great deal of damage had actually been sustained through dust storms, but even assuming the worst, where possibly 18 per cent of winter killing might occur, this would only remove 10 million acres from harvest, and on the remaining 47 million acres, with an average crop of 15 bushels to the acre, would still give us very good results, particularly since prospects in the Northwest have also improved considerably during the last three weeks.

Other factors were more or less thrown into the discard today. The fact that Liverpool was indifferent had very little effect either upon our price level or at Winnipeg. The Canadian market weakened in sympathy with our decline, and with the prospect that world shipments on Monday would be almost as large as last week, new buyers were rather difficult to find.

As far as our old-crop situation is concerned, we still believe that May wheat is in a relatively sound position. There is considerable wheat being sold from Chicago; the total today was about 55,000 bu. We believe that supplies in store at Chicago on May 1st will be down to very small proportions. The same should happen at Kansas City in view of the fact that cash wheat is also being pressed into consumption at that point. Finally we feel that with the small importations that our carryover will be sufficiently reduced to make for a very close adjustment, and that all of the old wheat will be wanted.

Primary receipts today were 271,000 bu; this was smaller than last week, but no comparison can be made with last year as we had a holiday at that time. Stocks at Kansas City and Minneapolis decreased so far this week 624,000 bu. This suggests another fairly good shrinkage in the visible supply on Monday, and will compare with a decrease a year ago of 2,437,000 bu, which was also quite large. Our market seemed to show no recuperative power at all, and the close was at about the lowest figure of the day, May wheat showing a loss of 3 1/4¢ per bu.

We feel that there will be a gradual widening now between old-crop months and deferred futures. $1.15 for July wheat will look pretty high if we finally raise a good crop in this country, and to anybody bearishly inclined, we suggest confining his activity to July wheat. We prefer this to September, as we figure that later on there might even be a carrying charge between July and September. Certainly no elevator will stock up at the start of the season if he finds that supplies are available at a later time for less money.

Corn was under pressure, as a generally bearish sentiment prevailed today, and this affected other cereals also.

Rye seems to have temporarily lost some of its friends, despite the statistically bullish picture, and there was moderate liquidation in that pit today.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Feb. 23, 1937.

Bearish sentiment has become more pronounced since last Saturday hen heavy wet snows were reported over most of Kansas. This morning here were also reports that some of the dry areas of Nebraska had een relieved, and this lent encouragement to the belief that we might xpect a larger winter wheat yield than had been hoped for while dust torms were menacing the crop. Unlike January snow, most of this oisture is penetrating the soil, and while the subsoil condition is uch that continued moisture will be needed, at least a good start as been made.

While we were celebrating a holiday here yesterday, Winnipeg was ore or less inactive, and price changes for the day were not important. here had been some weakness abroad, but not as much as was expected n view of our market having broken about 3 1/2¢ per bu or more at he close of the week. The comparative firmness in Liverpool was ven more surprising in view of world shipments, which were slightly n excess of 13 million bu. At the last the Liverpool market showed osses ranging from 1 1/4 to 1 1/2¢ per bu. There was a slight derease in the amount of wheat on ocean passage, and this can be exected now as boats are being unloaded on the other side.

In view of some of the bearish aspects, one must still remember hat as far as May wheat is concerned, it will be practically four onths before we get fresh supplies, and even though next season's crop ay be a very large one, it behooves one to try to figure out what he situation might be in the interim. Today's visible supply showed decrease of nearly 2 million bu; this places our total stocks at arious reporting stations at 41,511,000 bu compared with 57,662,000 bu year ago. During the 1936 period from this time until the end of ay, there was an average weekly shrinkage of about 2 million bu. We ee no reason why this might not be repeated during the next fourteen eeks; should this be the case our visible supply stock at the end f May would be reduced to about 14 million bu, which would certainly e a small amount of wheat, and in our opinion might even cause scarity at some of the centers where supplies would be needed for milling urposes until new arrivals were available.

We mention this even at a time when our May wheat is extremely weak great many present holders have become discouraged and are losing aith owing to the fact that the nearby month is selling at a large remium over July. In our opinion, however, this is fully warranted, nd if a situation develops such as we have pictured it might even be hat May wheat will continue to gain on the new-crop futures.

Primary receipts today were quite heavy, but were for a two-day eriod, and amounted to 556,000 bu against 197,000 bu last year. nterior receipts were also quite large, but this we believe will drop ff during the next few weeks.

Another influence upon today's market was the great weakness in ats, where heavy liquidation took place. At the last our May wheat howed a decline of 2 1/8¢ per bu.

The deferred months were comparatively strong, but it seems that ll the sales which are being made now are short sales, as no new crop heat is being hedged yet, while the opposite is true of May wheat, here a large open interest exists, and today a good many discouraged ongs were apparently desirous of evening up commitments.

Corn held steady at first, but a bearish sentiment swept all pits, nd the declines were rather sharp. The visible supply showed just minor decrease, but at least it shows that during the period of acumulation no stocks are being built up, and with fairly heavy feeding hroughout the country we do not look for the yellow cereal to become ery weak.

The same refers to oats; the visible decreased about one million u, but this cereal suffered more from technical weakness than anything lse. There had been a very large long interest, which apparently was leeping in the market, and when considerable liquidation took place here were hardly any new buying orders except at sharp concessions.

Rye has lost some of its friends, at least temporarily. Total tocks in the country are not large, and we feel that anytime that wheat eacts rye might quickly follow suit.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
IEW YORK COCOA EXCHANGE
/ YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 24, 1937.

Liverpool quotations were somewhat lower, declines ranging from /4 to 1¢ per bu, but that market was rather featureless and demand was slow. This is often the case in declining markets, and will probably require more firmness before a larger volume of business takes place. It is still believed that the European import requirements this season are somewhere between 448 to 472 million bu, of which they have already received 264,500,000 bu, leaving a balance of around 200 million bu still to import. Supplies abroad are not large, but, of course, will not be replenished at existing premiums over new-crop futures except where actually necessary. As a matter of fact, a country such as Germany where financial conditions are very bad could easily take on larger quantities for import if it were simply based on statistical needs. At the end of January her wheat supplies were 3 million bu smaller than a year ago, while rye supplies were 30 million bu less, but great economies are being practiced, and, therefore, the full deficiency will not be made up through purchases in other countries.

We are still more impressed with our own domestic situation than with that of the rest of the world. Right here in Chicago, as in other terminal markets, supplies are decreasing each week, and we have here just a little over 5 million bu of wheat, which will have to last for another four months. Present premiums for both hard and red wheat are easily 5¢ per bu over the future, and millers are paying even better prices than that. Unless great changes take place between now and May, we feel that deliveries will be extremely light. There will even be a continued demand during May and June because it is very seldom that Illinois, Indiana, and Ohio get new supplies before the 5th or 10th of July. Therefore, millers might have to draw heavily upon accumulated stocks. For that reason we feel that May wheat is likely to sell at larger premiums over July than exist at the present time. Of course, there are some who think that this market can draw upon Kansas City stocks, but even there the picture has changed, and we do not think that there are more than about 7 million bu of wheat in that market unsold, which is certainly a small reserve for four months, provided the movement drops off, and there are some indications that this will soon happen.

As far as the new crop is concerned, the recent moisture in Kansas, mostly in the form of a heavy snow, was very welcome. According to the weekly report now at hand, the depth ranged from 2 to more than 4 inches over most of the state, except northwestern counties, and the extreme southeastern portion. The wheat will be materially benefited by the added moisture, particularly in western counties where dust storms occurred almost every day until the relief came. Naturally one period of moisture this early in the season does not make a crop, and undoubtedly there will be a great many scares before harvest so that to become too bearish this early might also prove costly for the speculator. We, ourselves, are quite hopeful, because there is less chance of a crop failure with present moisture conditions In all probability we shall raise this coming year 850 million bu of wheat, which would be very encouraging. This, of course, is on the assumption that we get a normal spring wheat crop; and there also the outlook is much more favorable with the improved moisture conditions during the past few weeks.

Primary receipts today were more moderate, at 225,000 bu compared with 202,000 bu last year.

Stocks so far this week at Kansas City and Minneapolis show a decrease of only 71,000 bu. There were fair sales from Chicago today, the total reported being 85,000 bu. Also a better milling demand was said to have taken place at Kansas City, and this firmed their market which in turn had its influence here. Had it not been for the dullness at Winnipeg our market might have done a little bit better, but there was no export business in Canadian wheat of importance, and this tempered bullish enthusiasm.

At the last our May wheat showed an advance of 1 1/4¢ per bu, having gained slightly on the other months.

Corn made a better showing in sympathy with wheat. There is still a large number of hogs in the country on feed, and we doubt whether Argentine importations will be heavy enough to greatly offset the deficiency at home.

Oats also recovered from their great weakness. At the present rate of disappearance stocks at visible points might be nearly exhausted before another crop. It will probably be five months before we have new arrivals; and, therefore, do not feel that one should become discouraged on sharp declines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 25, 1937.

Early quotations from abroad were rather encouraging, and despite he estimated shipments this week from the Argentine, which are slight- y in excess of 8 million bu, Liverpool seemed to show a better under- one until it became apparent that there was more liquidation enter- ng into our market. The export business in Canadian wheat recently as been rather slow, purchases the last two days were only about 00,000 bu, and generally speaking European buying is at rather low b now, which may continue while floating supplies are so large. evertheless, Argentine wheat today was reported to be in better de- and in the United Kingdom, and there are continual fears that the ontinent may take further quantities, because after all there are a umber of countries very deficient this year, and it is only their conomic ailment which prevents them from taking more.

In any case, there is nothing of an extremely bearish nature aking place, except that great improvement occurred in our Southwest, here the recent wet snows were very beneficial, and it now looks as hough more moisture either in the form of rain or snow might visit ost of the southwestern sections, according to readers of the weather ap. This, of course, should have more of an effect upon new-crop utures than upon May wheat, although at the moment just the opposite s taking place, probably for the reason that there have been a great any long lines built up in May wheat,, and these sought liquidation ecause of the fact that holders were discouraged.

What will finally happen to July wheat depends upon future eather, but at the moment this seems very favorable for growing con- itions, and as soon as temperatures rise we feel certain that many ood reports will be heard, as moisture is such an important factor.

Old supplies of everything, in our opinion, will be very scarce efore another harvest. There is some improvement in the milling de- and judging from sales of cash wheat; today about 200,000 bu were upposedly contracted by an eastern miller, so that Chicago stocks ill probably show a pretty good shrinkage. This, in our opinion, ill continue for the balance of the season. Even oats, which are so erribly weak now, have dropped more for technical reasons than be- ause of any new bearish influences. Seldom do we get receipts until ate in July, or practically five months hence. In the meantime, the isible supply is small, and will decrease more each week. Therefore, hen the selling hysteria is over they should recover.

In Winnipeg there was an early bulge, but this was only a mo- entary affair, and later declines were quite rapid in sympathy with ur weakness. The visible supply in Canada is slightly less than 90 illion bu, or 139 million bu smaller than it was a year ago at this ime. The amount in farmers' hands is also somewhat lower. There- ore their situation also has merit. Since August 1st from all coun- ries to Europe exports are 59 million bu more than they were in 1936; x-European nations took about 4 million bu less.

All this considered, we feel that after the present pressure from he Southern Hemisphere subsides the picture will look somewhat better, nd probably for the next few weeks some patience will be necessary.

Primary receipts today were 212,000 bu. This was smaller than ast week, and compared with 261,000 last year. So far this week tocks at Kansas City and Minneapolis show a decrease of only 134,000 bu.

All pits today were influenced at about the same time by heavy iquidating orders, and the technical position of markets was such hat sharp declines took place everywhere before there was correction. ay wheat showed a decline for the day of 1 1/2¢ per bu, although had fairly good recovery from the low point.

Corn was inclined to do somewhat better, but could not escape he bearish sentiment which prevailed elsewhere. At the last, however, he May future showed only a fractional decline from the previous ession.

Rye was really the cereal that suffered most. Trade in this pit as comparatively light, but the action was all in one direction. here was a break of practically 5¢ per bu in May rye before any sup- ort was in evidence. Statistics were forgotten in the desire to ven up commitments.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
' YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 26, 1937.

First quotations from Liverpool were considerably higher, despite the fact that Argentine shipments were tremendous, amounting to 8,854,000 bu for the week compared with only 1,196,000 bu last year. The fact that the price is so attractive to the farmers is causing the large movement of grain, and for four weeks of this month Argentina placed 31,600,000 bu of wheat and flour afloat, which is abnormally large. Of course, all the wheat is not destined for the United Kingdom, as Brazil was a fairly large taker; also Germany is in the market again and they purchased three Argentine cargoes, and it is now rumored that Italy bought several Australian cargoes. Australian shipments were also quite heavy this week, amounting to ,410,000 bu. This was considerably more than last week, although smaller than last year. It is now thought that the remaining surplus of wheat in that country is about 54 million bu compared with 66 million bu a year ago.

When our market opened it was influenced on the one hand by comparative strength abroad, but as an offset there had been wonderful moisture in the Southwest and during the session more reports came in telling of the beneficial effects over wide areas. The official forecast suggested that there would be some more snow in practically all of the southwestern states tonight, and map readers were quite optimistic, so that if the prediction is borne out the chances are there cannot be any further crop scares for several weeks to come. The question then arises as to what wheat is worth on the assumption that we go into the next crop with very small reserves. We, ourselves, feel that July wheat will probably sell considerably lower if the weather remains favorable, but this may not come now or all at once, because after all there are almost bound to be crop scares at some time; and in the intervening period we feel that May wheat is working into a stronger position due to the fact that large sales are being made out of Chicago, which cannot be replenished.

One of the reasons for the recent break was the low percentage of capacities at which flour mills were operating, but since people are still eating all the time, we feel that this might change; and during the last few sessions there has been a better inquiry on part of millers, indicating that they probably sold some flour. As a result of the moisture July wheat lost again on May wheat, and in our opinion this should continue. In fact, we doubt very much if there will be deliveries early in May unless the situation changes greatly, and for that reason as hedges are gradually removed from the market, we can see comparative strength develop in the nearby month.

Imports of Canadian wheat on which duty was paid totaled 437,000 bu for the week compared with 385,000 bu the previous week. Imports since August 1st are slightly in excess of 25 million bu. As far as Canada is concerned, her situation appears quite favorable, except that possibly at the moment is restricted due to the heavy competition from Southern Hemisphere. Nevertheless total wheat and flour exports are 143 million bu, or an increase of 15 million bu from the previous season. At the present time there remains for export and carryover only 108 million bu compared with a carryover at the end of last season of 128 million bu.

Primary receipts of wheat today were moderate at 216,000 bu. This was considerably smaller than last week and compares with 264,000 bu last year. We believe that owing partly to the holiday the visible supply on Monday will show just a fair-sized decrease. Last year it was very large and amounted to a little over 3 million bu. So far this week stocks at Kansas City, Duluth and Minneapolis have shrunk 231,000 bu.

Our market gave the appearance of having been pretty well liquidated, and May wheat particularly was in demand, probably due to generous sales that have been made from this market recently, which should tend to make it worth the present premium over other months. September wheat has also been gaining on July, which is only natural because if a large crop is harvested there is almost bound to be a carrying charge after new wheat comes on the market. At the last May wheat showed an advance of 1 1/8¢ per bu for the day.

Corn showed independent strength, and receipts are not burdensome.

Rye also recovered from the recent depression, and the urgent selling seemed to be over.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 27, 1937.

Grain markets were more quiet today; it seems that recent liquidation in all pits has corrected a technical situation that existed. Furthermore the beneficial snows in the Southwest built up more of a short interest, but new selling of deferred months seemed confined to smaller transactions, despite the fact that weather on the whole was more favorable. We would say from reports that have come to us that there is a pretty good snow covering over practically all of Kansas, Nebraska, Colorado, and large areas of Oklahoma. This coming late in the season as it did will furnish wonderful moisture as the ground is receptive, and the frost is gradually departing. Nevertheless experience has shown that crops are not made late in February, and there will probably be a good many scares yet before harvest.

In the meantime we look forward to a fairly good decrease in the visible supply on Monday, and total stocks will probably be less than 40 million bu with practically four months yet to go. We mention that length of time on the assumption that the crop will not be extremely early, but even though it is, first supplies will only be received in isolated parts of the country, and will probably be small. Contained in our visible stocks there is still some feed wheat, and also some wheat being held by the Government at Minneapolis which will undoubtedly be sold for seeding purposes later on. So we do not feel that existing supplies are overburdensome, unless receipts should keep up on a big scale. The latter is hardly to be expected in view of the good run from the country,up to the present time, which no doubt resulted from high prices and the desire of farmers to liquidate. Therefore during the next few months we may find the primary movement extremely small.

It is a fact, of course, that coming events always cast their shadows before; and it may be that with the very large winter wheat acreage, and fair prospects which exist now that new crop futures may sell considerably lower, and this, of course, will have some bearing on the old-crop situation. Nevertheless, the world situation seems fairly sound despite the enormous shipments from Southern Hemisphere.

Quotations at Liverpool were quite strong today, the close being at advances ranging from 1 1/4 to 1 3/4¢ per bu. Belgium has suspended import tax on grains, apparently because of short supplies; Germany was in the market again, and it is now thought that Broomhall will revise upward his figure on import requirements, which at the present time stands at 568 million bu. He inferred that this might become necessary because of the heavy purchases by Germany, and also larger than expected purchases by Italy. According to the same authority, the remaining surplus of wheat in Australia and in Argentine is now 147 million bu compared to 113 million bu a year ago at this time. When it is considered that there were crop failures last year, this is a very good showing, and particularly so when we compare it with two years ago when there was 190 million bu of wheat available in those two countries at this date.

We have also pointed out in our recent letters that Canada is in a much better position than was the case last season, because even now her total supplies are about 140 million bu less than they were at that time. Consequently, there is not near the amount available for export, and we believe there will be a pretty steady demand by Europe right along.

Primary receipts today were 228,000 bu versus 307,000 bu a year ago. So far this week stocks at Kansas City and Minneapolis have decreased 322,000 bu.

At the last our wheat market finished 1/4¢ per bu higher for the day, and there was no particular feature to the trade.

Corn was steady; here also no great interest was displayed and it was more or less of a Saturday session.

Oats likewise were a fraction higher. Prices still look very cheap to us compared with all other cereals, and we think there will be sufficient demand, not only to sustain present levels but to probably bring about higher prices for the May future. This cereal is harvested a little bit later than wheat, and webelieve with the visible supply shrinking each week there will be no great pressure anywhere.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
IEW YORK COCOA EXCHANGE
N / YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 1, 1937

Quotations from Liverpool were quite encouraging this morning, be-
ause the advance of 7/8 to 1 1/4¢ per bushel came despite extremely
eavy world shipments, which amounted to nearly 16 million bu. Of
ourse, it was a foregone conclusion that these would be large in view
f what Argentina and Australia put afloat the past week, and therefore
ay have been partially discounted. On-passage stocks increased about
million bu for the week and are now close to 59 million bu again.
his compared with only 39 million bu last year.

When our market opened there seemed some disposition to cover
hort contracts, and as we have mentioned recently in our letters, the
arket has become more two-sided, because with the favorable weather
existing pretty generally over the winter wheat belt more traders have
een selling new crop futures. In any event there was a little better
urchasing power here, and this extended to May wheat also when reports
ere current that about 125,000 bu of wheat had been sold from Chicago
gain.

There was a fairly good decrease in our local stocks for the week
mounting to 353,000 bu, and the total has now been reduced to 5 mil-
lion bu. There is no doubt in our minds that reserve supplies every-
here, which have been accumulated, will be drawn on heavily-- in fact,
here are the first indications from southwestern points that the move-
ent is slowing up considerably. At Hutchinson, for instance, there
ere 27 cars today; of these 15 were from the Pacific coast and 8 others
illed direct to mills, leaving only 4 cars for sale. Should this con-
inue for a time we believe that millers will show greater interest;
nd today in Kansas City the cash basis was quoted unchanged to 1/2¢
igher, with a good demand.

The visible supply when it was posted today showed a decrease of
,519,000 bu, bringing total stocks down to slightly under 40 million
u. Even on the assumption that the shrinkage each week between now
nd the end of May would be no greater than today, it would still fol-
ow that we would only have supplies in all reporting points of only
0 million bu at the end of May, with probably another four weeks to
o before new arrivals from the 1937 crop would be available. With
his situation we cannot see anything particularly bearish on our May
heat. In fact, we feel that with supplies being drained here in
hicago there is not an overabundance of either wheat or rye here, and
ertainly not a large supply of oats to cause a very bearish feeling.

As our market progressed there was only moderate interest; at
imes strength developed because of the stronger quotations at Winni-
eg; and looking at that situation we feel that it continues to be
uite sound. Even with the poor business the past few weeks, clearances
his week amounted to 2,896,000 bu. These are the figures for all of
orth America, but inasmuch as hardly anything is going out of our
ountry, we presume that it is mostly Canadian business. Furthermore,
cean freights from Vancouver have declined considerably, possibly as
uch as 7¢ per bu recently, which would make shipments from the West
ore attractive. There has been a fair cleaning out at Winnipeg, as
ell as here, and during this period of readjustment the cash wheat
pread between Manitobas and Argentine wheat narrowed somewhat; so we
eel that Winnipeg is not as far out of line for new business as be-
ore. We continue to believe that as long as weather remains favora-
le that a large crop in this country seems likely next summer. On
hat basis July wheat is still selling at probably too high a price.
hether the decline will come now or suddenly remains a question, but
f we finally raise a combined crop of winter and spring wheat of 850
illion bu, we see no reason why the deferred futures will not event-
ally sell lower.

Primary receipts today were of fair size at 350,000 bu compared
ith 579,000 bu last year. One should watch these receipts from now
n because any falling off would be reflected in comparative strength,
t least for the nearby month.

Corn showed a fairly good undertone, and at times was a help to
heat. After all the crop was so short that even fairly large impor-
ations will not make for any great weakness, in our opinion, at any
ime this season.

Oats were more or less neglected, but the recent liquidation had
ractically spent its force, and the visible supply today showed a
ecrease of a little over 1 million bu, which is certainly large, and
f continued at that rate would mean practically exhaustion of stocks
efore another crop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO March 2, 1937.

Liverpool was very indifferent today, and despite the fact that
ermany purchased two Argentine wheat cargoes and one from Australia,
here was no enthusiasm abroad, and final quotations showed losses
f 5/8 to 3/4¢ per bu. This occurred in spite of the great strength
t Winnipeg yesterday and in Argentina, and had a discouraging ef-
ect upon traders here.

We have pointed out repeatedly that May and July wheat would
ave to be divorced in one's consideration of the wheat problem. The
eason for this is quite obvious. The winter wheat acreage sown last
all is the largest on record, and with fair rains during the spring
eriod we should produce a very good crop and probably even have a sur-
lus for export. The picture has also improved in the spring wheat
rea, so that next summer we shall probably be back to a more normal
asis.

As far as the old crop situation is concerned, the Department
f Agriculture gives us some rather interesting facts. They believe
hat the carryover on July 1, 1937, will be reduced to 100 million
u. This is confirmation of what we have been claiming for several
onths. They reached their conclusions after allowing for a wheat
isappearance of about 700 million bu. This would represent an in-
rease of about 40 million bu compared with disappearances during the
ast two years, and comes about because of increased wheat feeding
o animals, larger seed requirements because of the increased acreage,
s well as some increase in the amount of wheat milled. They also
hrow some light on the possible amount of imports, which they figure
ight reach 45 million bu. They say that from the start of the crop
ear through December, we have already imported about 26 million bu,
hich was 5 million bu greater than for the same period in 1935; but
hey forecast that there will probably be 5 million bu included in
his year's figures which will be unfit for human consumption. Ex-
orts, of course, were very difficult, owing to the fact that we
ere higher than competition; but in spite of this fact and also the
aritime strike, there were some few countries which required our
roduct, and it is now thought that export shipments for the year
ight reach 10 million bu. Should our supplies finally get down to
uch small proportions and the carryover be the smallest in about
en years, we shall be the closest to scarcity than for a long time.
e do not believe that anybody will starve, but at the same time
here will be much shifting of supplies to take care of all milling
equirements.

In Chicago, for instance, total stocks are reduced already to
bout 5 million bu. Of this amount possibly a million bushels has
een sold and belongs to mills. There is also some feed wheat in-
luded in our supplies and possibly scattered amounts of mixed wheat,
hich cannot be delivered on contract, so that with any improved de-
and this market would probably have to replenish stocks from some
ther centers. We doubt whether there is much unsold hard wheat here
t the moment, and if supplies have to be brought in from Kansas
ity, this will probably create a much tighter situation in the South-
est. As of February 27, stocks in Kansas City amounted to 8,906,000
u, but from information that we gather we would estimate that pos-
ibly 2 million bu of this wheat has been sold but not yet moved; so
hat the adjustment within the next two months between supply and de-
and should be a very close one.

Primary receipts were just moderate today at 230,000 bushels
ompared with 376,000 bu last year. So far this week stocks at
ansas City and Minneapolis show a decrease of 44,000 bu.

Trade in general was on a much smaller scale, until about an hour
efore the close when good buying orders appeared. Early weakness
as quickly dissipated when Winnipeg recovered. It was believed that
he re-entry of Italy and Germany into the market would be stimulating
o all exporting countries. At the last our May wheat showed an ad-
ance of 3/4¢ per bu, having gained somewhat on the deferred months.

Corn opened steady, but there were no trading incentives of a
articularly constructive nature, and the market seems to flounder
bout without much trend in either direction.

Oats and rye were only lightly traded. These cereals also were
ithout particular feature, and while the situation in both appears
o be sound, still they are in a rut at the moment, and look toward
he action of the wheat market for most of their inspiration.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 3, 1937.

Liverpool quotations were very encouraging this morning, and at the
lose that market had advanced from 2 3/8 to 2 5/8¢ per bu. Apparent-
y Europe is impressed with the way some of the Continental countries
re covering their supplies, and, of course, the re-entry of Italy and
ermany into the market yesterday gave further impetus to values
broad. There seems to be a better demand in England for both
rgentine and Australian wheat, and tenders on Liverpool March con-
racts were rather trifling this morning. World shipments to Europe
re 72 million bu larger than they were last year, while ex-European
ountries have taken 4 millionbu less. Therefore we are inclined to
elieve that the situation is sound, particularly as Southern Hemisphere
ressure cannot last more than another month at the present rate. We
eel that present supplies of Argentine wheat are not burdensome any
ore, as early sales were on such an extensive scale.

Our market opened firm, but there seemed to be more buying early
n the May delivery than in the deferred months, probably due to the
act that the weather forecast suggested rather general moisture over-
ight at southwestern points. During the session there were quite a
ew messages telling of rains in parts of Nebraska, Kansas and east
exas, and apparently the situation is quite different from what it
as last year when even a low barometer often failed to bring much
oisture.

Generally speaking there is one disappointing feature in the mar-
et; namely, the rather slow milling demand. This, of course, may be
xplained by the fact that Millers, just like elevator people, are
ot buying very far ahead, but merely as they make flour sales. For
he week there had been rather large takings in the Southwest, but
nly because of one large individual order, according to an item in
he Northwestern Miller. Had it not been for that fact those mills
ould have only ground about 50 per cent of capacity as compared with
7 per cent the week before, and 88 per cent last year. In the North-
est there seems to be little or no improvement, with sales about 20
er cent this past week versus 69 per cent a year ago. We can more
eadily understand the latter, as the spring wheat crop was virtually
failure, and it seems difficult for mills to get normal supplies
xcept through importations or else purchases at southwestern points.

Primary receipts today were rather small, at 200,000 bu against
22,000 bu the previous year. Stocks at Kansas City and Minneapolis
how a total decrease of 191,000 bu.

At one time our market was very strong, and May wheat reached
1.35, which was the highest price in some time. However profit-tak-
ng sales by commission houses put an end to this rather quickly, and
t the last May wheat lost some of its premium over July, and closed
/2¢ per bu lower for the day.

A great many traders were inclined to be a little bit bearish now
iguring that if the winter wheat crop comes through on the present
creage that $1.15 for July wheat will finally prove to be a very
igh price! This reasoning is probably correct, particularly if we
evert to an export basis, and have to meet competition. It is, how-
ver, a fact that May wheat will continue to be dominated by the
mall carryover, and for that reason one must treat the nearby future
uite independent of other months.

Corn was inclined to weakness today. There had been a report yes-
erday that one of the large industries was grinding Argentine corn
t their Kansas City plant, and fears that this might spread elsewhere
robably caused liquidation.

Oats were also weak, and because of liquidation and lower prices
or the yellow cereal, trade in the oats pit was extremely light.

UHLMANN GRAIN CO.

MEMBERS:
ICAGO BOARD OF TRADE
E YORK PRODUCE EXCHANGE
N V YORK COCOA EXCHANGE
W ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 4, 1937.

Liverpool quotations were rather weak today, the close showing losses of 3/4 to 1 1/4¢ per bu. This very likely was due to the heavy estimated shipments from Argentina, which are 8,450,000 bu for the week. It compares with only 1,653,000 bu actually shipped last year. It was also thought that favorable weather over our winter wheat belt was a contributing factor to the foreign decline, and apparently the demand has subsided somewhat, with English millers less interested in immediate supplies.

Our market opened a shade lower and was influenced by the private crop estimates, which on an average forecast a winter wheat crop of about 630 million bu. If to this figure is added a normal spring wheat crop of 250 million bu, total supplies would reach 880 million bu and give us a large surplus for export. Of course, anyone commenting this early must appreciate that a great many things can happen to the crop between now and harvest.

There were some other interesting comments in connection with estimates of farm reserves. The average of the experts showed a figure of 87 million bu still left, which would be less than 15 per cent of the crop, and smaller percentagewise than in a normal year, and of course very small now considering that the crop itself was so poor. It would indicate possibly a reduction in farm supplies of about 40 million bu since January 1st, or much the same as last year. Formerly the government made its estimate on March 10th, so that one could be guided by the official figure; but now they are in the habit of only coming out with a quarterly statement, and no figure will be given until April.

Because of the fact that in our opinion May wheat lends itself so easily to tighten up later, we go back to the 1925-26 crop, when conditions were somewhat similar to what they are now. On July 1, 1926, we had a carryover of 107 million bu, which is much the same as the one which we anticipate this year. On February 27th of that year the visible supply was 40 million bu, or practically the same figure as now. It finally declined to 10 million bu at the end of June. In that year the March 1st farm reserves were 99 million bu, which is a little larger than now, although at that time we were exporting some wheat, net shipments for the year amounting to about 91 million bu. The price level was somewhat higher than it is today, but the spread between May and July wheat was very much as at present: namely 18 3/4¢ per bu. There was a gradual widening process, and on the last day of May this increased to 27 1/2¢ per bu; we think that there was another similarity because the crop that followed was a very good one, amounting to 832 million bu, or not far from forecasts now being made with eference to our 1937 crop. It is only fair to state that in 1926 they ere trading in old and new futures of May wheat, but we are discussing nly the new futures, as the bulk of the trade centered in them and hey were ruling at a premium over old contracts.

Primary receipts today were 207,000 bu compared with 437,000 bu a ear ago. These must be light because it is apparent that there is robably 25 million bu less on farms than there was at the same day ast season. So far this week stocks at Kansas City and Minneapolis how a total decrease of 277,000 bu.

Trade was much more quiet than of late, and a few small orders had ore than the usual effect upon the market. At the last our May wheat howed an advance of 1/4¢ per bu with July wheat unchanged.

There are a few things which one might consider now. The Buenos ires market made a season's high yesterday, and apparently the heavy hipments have put them in a position to feel much more optimistic bout the future. Present prices are about 15¢ per bu above the old ixed minimum price which existed last year. This in turn is also influencing Liverpool, and yesterday July wheat abroad sold at the highest price of the year. Many people are wondering why that future hould rule at such a stiff premium over futures in Chicago. Of course, t must be borne in mind that Liverpool July wheat in most years represents old crop, and that shipments from this country very seldom et over there in time to be placed on their tenders.

Rains which occurred over night were good in Nebraska and in parts f northwestern Kansas, elsewhere rather light, and clearing conditions will probably follow.

Corn had a rather indifferent tone. Sales out of Chicago were eavy, but there seem to be no leadership, and consequently no particlar market trend is indicated at the moment. The new Argentine corn rop is estimated at 362 million bu compared with 392 million last year, nd the previous five years average of 339 million bu. Oats are also ull; statistics are bullish, but there appear to be a number of longs eady to sell in the event of sharp advances. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
IICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 5, 1937.

Liverpool gave a splendid account of itself today, actually clos-
g 1 to 1 3/8¢ per bu higher, despite the fact that shipments from
stralia and Argentina totaled nearly 13 million bu. This is almost
heard of at this season of the year, and shows apparently how wel-
me present prices are to Southern Hemisphere farmers. At the same
me there was a fairly good demand abroad. Advances on the other
de took place owing to the purchase of three Argentine cargoes by
aly, also some Canadian wheat by Germany, and a generally improved
mand in the United Kingdom. Many people had in mind that with a
mand sufficiently large to sustain markets during the tremendous
vement, soon a more bullish situation would arise, with shipments
und to drop off. In Australia, for instance, the remaining export-
le surplus as of today is estimated at 50 million bu compared with
million bu last year; therefore the general outlook is fairly
timistic.

Since all of the latest figures are not available, we are using
ose which have just been given out for end of February, and we find
at during thirty weeks world shipments have amounted to 354 million
. On basis of Mr. Broomhall's estimate that importing countries
uld require 568 million bu, it would leave a balance still to go
rward of 214 million bu until next August, or during a twenty-two
ek period. While the adjustment will be somewhat closer than in the
st few years, we do not find that any great scarcity will exist be-
use if called upon for the last bushel Canada could furnish 106
llion bu, Argentina 96 million bu and Australia 56 million bu, or a
tal of 258 million bu. This does not take into account any wheat
om the Danubian or other countries, which might furnish 40 million
; and also leaves the United States entirely out of the reckoning,
ich might ship some during July. So actually there would remain
various countries on August 1, 83 million bu for carryover and sur-
us. In this connection it is only fair to point out that at the
d of the crop-year Canada will be in much better shape than for a
ng time, and we still feel that her carryover might be reduced to
ssibly 40 million bu as compared with 128 million bu at the end of
st crop season. Her visible supply is now 116 million bu, or a
duction of 138 million bu from the same period of 1936.

Primary receipts of wheat were 251,000 bu compared with 313,000
st year. Stocks so far this week at Kansas City, Duluth and Minne-
olis showed a total decrease of 412,000 bu, suggesting a fairly good
rinkage in the visible supply next Monday. This will compare with
decrease last year of 2,838,000 bu.

Our market borrowed most of its strength from abroad, and a some-
at better tone in Winnipeg where a fair export business was claimed.

There was also a revival of inflation talk owing to the fact that
ench francs were about 12 points lower than yesterday, and the
eapest in many months. This appeared to have an effect upon cotton
d securities also, which were higher, talk being current that there
ght be another devaluation process necessary in France before their
netary troubles are over. Sterling was also somewhat lower in
mpathy with the weakness of the French currency. If anything would
ppen so that the two countries just mentioned would find it to their
vantage to cheapen their money, it might, of course, finally have
s repercussion here.

At the last our May wheat showed an advance of 2 1/8¢ per bu;
e deferred futures were also quite strong as a good deal of short
vering took place. As far as July wheat is concerned, we regard
e price as high particularly if good weather continues, which will
an a very large crop later on, and of course a tremendous movement
terminals if anything like present prices should prevail after
rvest.

Corn was in better demand, speculators found offerings rather light,
d sentiment appeared somewhat more friendly to the buying side.
ere was less talk of Argentine imports, although undoubtedly some
rn is bound to seep into this country right along as shipments from
enos Aires are still on a tremendous scale.

Oats and rye were slightly higher. There was no particular feature,
d it seems that new buying is small and mostly in sympathy with
gher wheat values.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 6, 1937.

The carryover feeling from yesterday was quite bullish, and t was almost a foregone conclusion that with favorable news from broad that we might have a further resumption of the bullish activties which started yesterday. Many people who had been a little bit iscouraged on the recent break re-entered the market, feeling that henever the Southern Hemisphere pressure subsided there might be a hance for a bull market in our May wheat. Some are also pointing to he fact that Liverpool July wheat is selling at a very good premium ver ours, which would make shipments possible after harvest. The nly argument against that situation, as we see it, is that United tates millers might become very active for the first arrivals of heat, paying fairly good premiums, and the first movement would not o to gulf ports to insure arrivals in Liverpool in time for tenders efore the end of July. That being the case, we think that when ctober wheat is traded in Liverpool, that is the month to be watched or a guide as to our price level as regards the new crop.

Liverpool quotations were fairly responsive, they showed adances of 7/8 to 1¢ per bu, and there had been some sales overnight o the United Kingdom from Australia, which apparently created a etter feeling all around. At the close July wheat in Liverpool sold t the season's high.

There had also been an article in one of our local papers alling attention to the increasing German food shortage, and they uoted a survey which was published by a journal in Germany,which laimed that no less than 3,500,000 tons of grain would have to be mported this year. Converting this to bushels, it would call for inimum requirements of about 130 million bu of wheat and rye, which, n our opinion, is very high. We do not claim to have any inside nformation on this subject, but total stocks of wheat and rye were ublished some time ago, and we are of the opinion that while a oderate scarcity exists no such quantities will be taken this year, articularly when one considers the bad monetary situation.

In any event, there was a fair amount of buying in our market oupled with more inflation talk and higher cotton and securities arkets. However, best prices of the day were not maintained, and at he last May wheat was practically unchanged.

Primary receipts today were 250,000 bu, or much the same as ast week, and compare with 424,000 bu last year. Stocks at Kansas ity are decreasing at a good rate, and here, together with Minneapolis here was a decrease of 483,000 bu for the week.

There had been some fairly good moisture overnight in parts of he Texas panhandle, but this was more or less ignored owing to the act that May wheat ruled rather firm, and short sellers were timid. ne of our very good friends at Dallas, informed us that their crop nspector had completed an inspection of the Texas panhandle, and e saw wonderful improvement during the past ten days. He further tated that there were general rains in the south Plains last night, ith anywhere from 1/2 to 1 1/2 inches in many places. There was lso a light rain over the north Plains, and very fine moisture in entral and western Texas, with the result that prospects are very much etter than some time back.

In view of the very large acreage sown we feel that next July he whole picture will be different. Of course, during the last four ears crops have been below domestic consumption, and a great many eople are worried that another disaster might occur; but we always ave in mind that crop failures are just as unusual as bumper crops, nd figuring on just the normal we can see nothing at the moment to revent us from going back to an export basis when new supplies start oming on the market. For that reason we continue to look forward to widening between May and July wheat because supplies of old crop re decreasing right along, and after navigation opens and Buffalo's equirements are replenished from other centers, the cash demand might evive materially.

Corn was firm early, partly in sympathy with wheat, but also ecause of a fairly good demand. 100,000 bu were sold from this maret. Primary receipts on the entire crop are about 60 million bu gainst 76 million bu last year. Considering that this was a crop ailure the proportion to-date is large, but this may change from now n.

Oats were firm, but there was no particular feature in that arket.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
:HICAGO BOARD OF TRADE
' YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 8, 1937

World shipments were very large again this week at 15,725,000 bu. s was practically the same as last week but compares with only 176,000 bu last year. As a result the amount of wheat on ocean pass- increased again and is now slightly over 60 million bu as compared h about 40 million bu last year. Apparently foreigners are more posed, knowing that there will be no immediate scarcity, and Liver- l prices after a steady opening eased this morning with a slight se both in United Kingdom and Continental demand. Final quotations Liverpool showed losses ranging from 1 5/8 to 1 3/4¢ per bu, and s in turn influenced us, with our market somewhat easier, at least ing the early trade.

The overnight weather was mostly favorable, although one or two nts in the far western sections of Kansas had reported dust storms; ewhere no apprehension existed, and in fact, we had one message m Hutchinson where they said the wheat plant was greening nicely; a large miller from there claimed about 14 million acres remain nding in Kansas, with fair to good moisture conditions. There had n a few rains in Texas, as well as in Oklahoma, but all this appar- ly had no effect upon our July wheat, which gained today on the near- future. This was brought about by unspreading between the two months, bably due to the fact that there has been a great deal of gossip ely that we are practically on an export basis when the new crop es based on Liverpool July wheat prices. As we have pointed out, s is encouraging at the moment, but very often wheat shipped from gulf after harvest does not arrive on the other side in time for y tenders, and therefore the relationship might not mean much. Fur- rmore, anyone who has been in the grain business for any length of e must appreciate that our prices are also influenced by the size of movement, and if present prices would be maintained and a good crop vested, we are convinced there would be an enormous movement and ces here would break quickly and Liverpool would soon respond. There- e, what is occurring now may only be of a temporary nature.

We still believe that circumstances surrounding the old wheat sit- ion are bullish, and today the visible supply decreased 2,366,000 bu in, with total stocks at 37,626,000 bu, or about 14 million bu small- than last year corresponding date. We see no reason why these inkages will not continue and that finally old wheat should be scarce, ch in turn would divorce it almost entirely from new crop months; the latter will finally sell according to the size of crops harvest- Chicago stocks decreased 293,000 bu. The total is under 5 million and since a good deal of this is wheat that probably will not be dered, either having been sold already but not moved, or not of de- erable grade, we feel that May wheat still has a chance of maintain- itself at a good premium over other months.

Primary receipts of wheat today were fairly heavy at 399,000 bu pared with 611,000 bu last year.

There was a report out today giving figures and percentages of uary flour output. The total amount of wheat ground was 37,586,000 or virtually the same as during December, and compares with 042,000 bu in January of last year. This is only a trifle smaller, pite so much talk of poor business. We also have total wheat ex- ts now since the beginning of July, which show that this country up the end of January has shipped slightly in excess of 11 million bu pared with slightly under 9 million bu the previous season. A good t of this is Canadian wheat ground in bond. Imports of wheat for sumptive purposes for the same period, or in other words for seven ths, amounted to 36,256,000 bu versus 29,773,000 bu for the corres- ding time the year before.

Toward mid-session our market turned stronger; May wheat was in- enced by the strength of the deferred months and also the fairly vy decrease of the visible supply, and for the day showed an advance 1/2¢ per bu.

Corn was firm due to lack of pressure and also a slightly better h market. However, speculation seems lagging, and without new incen- es the market does not make any great headway.

Oats and rye were indifferent. There was no particular interest these pits and they seemed unaffected by the general run of news. visible supply of oats showed a decrease of 1,149,000 bu. Total cks are 15 million bu smaller than they were last season, and we feel t at present rate of disappearance no great weakness is indicated.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 9, 1937.

Liverpool quotations were rather encouraging this morning, the close showing advances of 1 1/8 to 1 1/4¢ per bu. The steady tone was in sympathy with advances in North American markets yesterday, but in addition to that there had been a rally at Buenos Aires occasioned by the purchase of two wheat cargoes by Italy. This in turn made for a rather fair inquiry in the United Kingdom, where traders realize they must meet competition. Up to now Continental buyers have had it more or less their own way, and as long as Southern Hemisphere offerings were so heavy, there was no great anxiety to stock up.

World shipments so far this season are 370 million bu compared with 306 million bu a year ago. Of course, from now on Canada will only offer sparingly because her situation is greatly improved from the past few years; and it is thought at the present time that there remains only about 100 million bu for export and carryover. Therefore, on the assumption that 40 million bu as a minimum reserve will have to be taken to the next crop, there will not be a great deal of wheat pressing on the market each week between now and another harvest. New wheat in Canada will not be available for over five months yet, although, of course, if our crop turns out favorably the chances are the United States will re-enter the export column next season.

Reports from growing areas are on the whole quite favorable. Of course, it is too early to come to any definite conclusions, and the character of the weather during the next few months will largely shape the future of wheat values, particularly with reference to the deferred months. Grain traders are generally nervous at this time of the year and would like to see almost continuous moisture. Actually we believe that the crop is making fair progress, with the possible exception of some of the western districts where dust storms even now are being reported. Many observers who have gone into Kansas to inspect crops have found that the country appeared to be in good shape in comparison with the last two years. Of course, crop failures such as we have had for three or four seasons have made everyone somewhat more pessimistic, and a good many are figuring what might happen in the event of a recurrence. However, crop failures are just as unlikely as bumper crops, and, therefore, at this season of the year one can only go on average developments.

Primary receipts today were very light, being only 192,000 bu compared with 358,000 bu last year. Interior carlots also showed a falling-off, and here in Chicago, which is the world's largest grain market, only one car of wheat was inspected. So far this week stocks at Kansas City are unchanged, while at Minneapolis a decrease of 90,000 bu is shown.

Our market at the moment seems to be in the grip of inflationary tendencies. A great many people seeing zinc, copper, rubber, etc. advance feel that wheat should be no exception to the rule, and for that reason short sellers are practically at a minimum. Here, recent activity has centered probably more in the deferred months than in the May wheat due to the fact that new-crop futures are selling a great deal cheaper, and that we are entering into a period now when crop scares generally become a market factor. Some traders are of the opinion that there is money to be made in buying July wheat. We, ourselves, do not subscribe to that theory because we feel that if the crop should come through fairly well on the enormous acreages there would be a tremendous movement when first arrivals come on the market. After all a price of about $1.20 for July wheat discounts a great deal, and, therefore, when breaks come they might be rapid, particularly with so many traders playing the bull side of the market and many of the shorts eliminated.

At the last our May wheat advanced 1/2¢ per bu, and was influenced by a report that Germany had taken 2 million bu of Argentine wheat.

In our opinion, the situation surrounding the old crop isstrong, and with a good many Continental countries in the market which for the past few years, at least, have been unimportant, there is a sustaining influence which should prevent sharp declines either in Liverpool or Winnipeg.

Corn showed a healthier tone; the cash demand appears good, and truckers seem to be diverting supplies away from this market. Primary receipts are quite light now --only 216,000 bu versus 763,000 bu a year ago. It seems difficult to build up any reserve stocks.

Oats and rye were better in sympathy with wheat. The fact that 200,000 bu of oats receipts had been cancelled was considered as possibly a forerunner of better demand.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 10, 1937.

Liverpool lent more encouragement than in many sessions, and final rices showed advances ranging from 3 1/8 to 3 5/8¢ per bu. One could lmost have forecast that European prices would be sharply higher this orning, because of the strong close in the Argentine yesterday, and he latter was due to heavy purchases on part of Germany of Southern emisphere wheat. It had also been reported that Germany had been good buyer of wheat in Turkey and that possibly the surplus wheat vailable in that country was about exhausted. The Continental deand in Europe was also better and several cargoes of Australian heat were reported taken and this happens so often that various uyers become scared at the same time. We have held the opinion for any months that because of the shortage in Spain, Italy, and Germany, upplies would be wanted and, therefore, are not surprised at what is appening now. Whether the price discounts to a large extent recent appenings, is another question, and then also one must ask himself hether this unusual demand will keep up at the present rate or hether there is not likely to be some slacking of demand before furher purchases are made.

In any event our market in sympathy with Winnipeg opened sharply igher and while we were not directly affected, owing to the fact hat we are not offering wheat for export, there was a sympathetic pward move in all grain markets, with a revival of bullish activity hat carried all wheat futures to a new high on the crop.

There had been no moisture overnight, and a good many traders ave in mind that should there be another crop calamity, wheat next ear would be selling at very fancy figures. Of course, it is very arly yet to come to any definite conclusions. As we pointed out in ur letter yesterday, one can only figure at this time of the year pon normal conditions. It is a fact that the acreage sown to winter heat is 7 million acres greater than last year, and with comparativey mild weather the chances are that winter killing will be less; herefore prospects are easily for a crop anywhere from 625 to 650 illion bu. Of course, it is largely a question of moisture from ow on, but in any event if July wheat approaches $1.25, certainly a ood deal of bullish news is discounted. Then also, with the high rice existing one can figure that the farmers in the spring wheat erritory, with no acreage restriction, will do everything in their ower to plant every available acre in an effort to benefit from the dvantageous prices now existing. At the moment there seems to be no ew pressure, except that which comes occasionally from profit taking; nd, therefore, the line of least resistance seems to be on the bull ide of the market. This might change whenever we get moisture, and pril is generally the period when that occurs --in fact, it might ome unexpectedly before that time.

The government in its weekly resume claims that some wheat has een greening in the central valleys and that in the Ohio valley the rop is mostly in fair condition, except that much winter killing is n evidence in the east central and south central parts of Illinois. Our own reports, and we had a good many of them today, show that ansas, Nebraska, Oklahoma and Texas are quite encouraging. More will e known in a few weeks after growing weather advances the crop, but n the main we feel that the moisture situation should be watched most arefully.

Primary receipts today were only 179,000 bu compared with 347,000 ast year. So far this week stocks at Kansas City and Minneapolis how a total decrease of 221,000 bu.

The greatest strength today was in the September wheat, and this uture at one time, as well as July wheat, reached the full allowable pward limit, but there was some reaction before the close. We feel hat the present excitement is only temporary, but with the strength n September wheat, we are practically bound to get carrying charges fter new wheat comes on the market; if this is the case July wheat ill finally look tremendously high. Meanwhile there may be further uying orders, and some patience required, but in any case a sudden hange in weather would certainly depress the July wheat more than the ay.

The great strength in wheat, which was partially due to the exremely bullish sentiment inspired after new highs were reached, had its ffect also upon all other markets, which shared in the general advance. peculation was lighter in corn and oats than in wheat, and there was o particular leadership, although short covering and fresh investment uying sent those cereals to a higher closing level.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 11, 1937.

Liverpool prices were somewhat indifferent this morning, nearby futures were about 1/2¢ per bu higher, while July wheat was slightly lower.

Estimated Argentine shipments this week are smaller, but still of very good size, amounting to 7,532,000 bu compared with only 1,171,000 bu last year. The foreign demand overnight was fair, but of very much smaller proportions; and as we pointed out yesterday some of the urgency has probably been dissipated for the time being through the rush of buying which took place during the last two days. Black sea shipments this week are only 192,000 bu, and nothing was forthcoming from Russia; but it must not be forgotten that the Danubian countries had a very large crop and navigation will soon reopen and probably release substantial quantities of wheat. There is estimated to be some 30 to 35 million bu still available, according to Broomhall; and in view of the high prices existing we have no doubt that efforts will be made to sell remaining supplies.

In any event we consider that the old crop situation is strong, and that this will not change materially until next summer when larger harvests either in Europe or in exporting countries will change the picture. On the other hand we would regard the agricultural situation much improved worldwise, and regardless of the size of next year's crops, wheat will probably command pretty good prices because carryover supplies will not be burdensome, the way they were for a number of years. At the same time the price at which July wheat is selling now is very high, and undoubtedly if we have favorable yields in this country farmers will be ready sellers, and the first rush to market might be very substantial, particularly if prospects in Canada are good, where there might be an average crop after three or four years of failure. We are told by a number of our friends that moisture conditions both in our Northwest and in Canada are quite satisfactory, and while it is still too early to talk about a crop which has not been seeded, one must nevertheless be prepared for normal developments.

It seems that some of the speculative excitement, which took place yesterday upon announcement that exporting countries had sold 12 million bu, had subsided considerably, and although no great weakness was displayed there was not the buoyancy nor the animated buying to follow up Wednesday's advance, which had carried wheat prices to the highest level since February of 1929. There is a substantial interest in commodities as a whole, owing to inflationary gossip, and this has already affected the price level of cotton, rubber, copper, lead, tin, coffee, cocoa, hides, and a number of other articles, particularly those dealt in on the international markets of the world.

The news, however, from sections of the winter wheat territory appears to us to be highly favorable; and our own offices wiring from Kansas, Nebraska, Oklahoma and Texas seem reassured in the thought that with continuation of favorable weather there might be a very good outturn to the present crop. There are places where moisture will be needed from time to time in order to insure best results, but in most years showery conditions prevail in April; and in the meantime we doubt whether many sections are suffering at this time.

Primary receipts today were somewhat larger at 298,000 bu compared with practically the same amount last year. So far this week stocks at Kansas City and Minneapolis show a total decrease of 265,000 bu. We doubt whether the visible supply will show as large a shrinkage as last week unless Buffalo would consume greater amounts; but in any event supplies are being reduced at a rapid enough rate to make it certain that the carryover at the end of the crop season will be very small.

(OVER)

It is our belief that even with strength in the old-crop situation, this will not prevent declines finally in July wheat if the crop comes through under favorable conditions, and at the moment it looks as if we would go from scarcity into plenty, which, in our opinion, means very wide differences between May and July wheat.

At the last our nearby future was somewhat lower, showing a decline of 5/8¢ per bu, while the July wheat lost a little ground on the May.

There is not much moisture forecast overnight for the winter wheat belt, but should any occur during the next week or ten days we fear that it would have a bearish influence upon July wheat, as there has been a fairly large open interest built up.

Corn was benefited early by the advance in wheat, but best prices failed to hold. There were reports from Argentina that while a fairly large crop was in prospect the outlook was not so bright as earlier indicated. Furthermore we know that the acreage in that country is slightly smaller than last year.

Oats and rye following the lead of other cereals were fairly firm early, but yielded somewhat before the close.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 12, 1937.

There were indications already yesterday that the weather map might be changing, although the forecasts at that time were not definite enough to be very optimistic. This morning, however, a good many map readers had come to the conclusion that both the Northwest and the Southwest districts might be visited with rains and snows during the next 48 hours. During the session reports came in telling of relief in many areas. This was watched more carefully than the Liverpool quotations, because recently the new crop futures have been dealt in heavily; and a good many people were undoubtedly influenced by the comparative cheapness in relation to May wheat.

As we have pointed out, the two futures should be considered from quite a different point of view. Even assuming that the old-crop situation will remain strong, and we see evidence of this with decreasing supplies, yet the moment new arrivals come on the market in any quantity the old-crop will be quickly forgotten; and sometimes these things are discounted in advance of their occurrence.

Broomhall now believes that Germany will be out of the wheat market for a week or two, but there is nothing to indicate that present stocks either in Europe or on-passage are particularly burdensome. For that reason Canadian prices were strong at the start in sympathy with firmness abroad, but thereafter became affected by the weakness which took place here.

Argentine shipments were 7,239,000 bu, while those from Australia amounted to 2,516,000 bu, and showed a falling-off from last week's larger figures. Of course, at this season of the year it is only likely that quantities from Southern Hemisphere will become smaller; and it is now thought that there remains only about 80 million bu surplus in the Argentine for the balance of their season.

As far as Canada is concerned, she continues to get in better shape right along, and total visible stocks in that country including all positions are 112 million bu, or a shrinkage of about 4 million bu since last week. These supplies are 138 million bu smaller than for corresponding day a year ago. Total exports of wheat and flour, including the amount sent to this country, are 148 million bu, as of March 5th, and on that basis there remains only 104 million bu of wheat in Canada for export and carryover.

We figure that all exporting nations will be in very good shape at the end of their present crop year, but, of course, it is also a fact that exporters will only take what they actually need if they feel that supplies on the next crop will be cheaper.

Primary receipts today were 255,000 bu compared with 377,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 390,000 bu. We expect a moderate decrease in the visible supply next Monday, which will compare with a shrinkage of 1,721,000 bu a year ago.

If one tries to analyze what happened here the past week, it is not difficult to see that the strength in July wheat at times came about because there is practically no new wheat hedged yet, and whenever scares came along the market was easy to bull. The same thing occurred in September. Ordinarily advances during the month of March take place as regularly as declines in June. We have firm convictions that September wheat will finally be the strongest month, and will sell at a carrying charge over July. If this is the case, present price of July wheat is quite high, because there might be a tremendous movement after harvest. Should accumulations take place, and we revert to a carrying charge basis everything would be quite changed from the present crop season. We still feel that old wheat will be wanted, and strength abroad from time to time may even lead to some export business from the Pacific coast.

On basis of Broomhall's estimate of importers' requirements of 568 million bu, there is only about 198 million bu still to go forward. This could be supplied by Canada, Argentina and Australia, and would leave the Danubian countries and other smaller sundry countries also with surpluses which they might want to sell. So even while the adjustment may be close, we can see nothing to bring about real scarcity prices.

At the last our May wheat showed a decline of 1 3/8¢ per bu, and the July lost a little further ground, closing 1 3/4¢ per bu lower.

Corn was inclined to weakness, the cash basis was off, and industries were less eager for supplies. The oat market encountered a few liquidating orders. There was no particular feature nor any market leadership. The same was true of rye which was influenced by a somewhat more bearish feeling.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 13, 1937.

With navigation soon to reopen from Danubian countries, and substantial quantities still available for export, there will probably be a little more pressure from that source. After the recent purchases on part of Europe there seems to be a temporary pause, at least, with the result that Liverpool cables were quite weak this morning, declines ranging from 7/8 to 1 3/4¢ per bu. Declines abroad probably took place also in sympathy with weakness yesterday at Buenos Aires, and the predicted moisture in our winter wheat belt. Taking it by and large, we do not figure that the old-crop situation is a very weak one, nor do we think that declines will extend far except as they are possibly initiated through weakness of the deferred months. It is true that Canada is not shipping a great deal at the moment, with Bradstreet's clearances somewhat less than 2 million bu for the week compared with about 3 million bu last year, but nevertheless after the Argentine pressure subsides we think the demand on Canada will again improve.

Quite apart from this picture is the new-crop situation, which, in our opinion, will become more important as we draw nearer harvest. We appreciate that to become too enthusiastic about prospects at this early date might prove fallacy; but yet for a great many traders to anticipate another disaster because we had three or four short crops in a row is just as foolish. With the over-night moisture an actuality, covering large areas, and reports telling of rains and snows in so many territories, even into the dust bowl districts, one is naturally encouraged that this is more of a normal season than we have had in several years. Due to the deficiency of sub-soil moisture in places there will undoubtedly be a good many rainy periods needed in order to obtain best results; but in any event there seems to be more moisture on the way tonight and tomorrow, which will do an immense amount of good, and probably allay further fears of dust storms for sometime. Coming at this propitious time, just before the plant emerges from hibernation, it is, of course, more than welcome, and we believe that growing reports during the next few weeks should be quite optimistic as a result of this change.

Primary receipts today were 351,000 bu, which was larger than last week, but compares with 454,000 bu a year ago. So far this week stocks at Kansas City and Minneapolis show a total decrease of 416,000 bu.

Most of the action was due to overnight moisture, and the greatest weakness in July and September wheat was recorded practically at the opening. After that numerous suggestions were made to buy July wheat because of its comparative cheapness based on May. The May delivery, however, showed only fair recoveries because Kansas City was extremely weak, and at times the differences were out to almost 9¢ again, which generally suggests caution.

Winnipeg, however, held comparatively firm, and the Canadian situation as we view it is quite a strong one. It is calculated there are about 27 million bu of wheat in country elevators, and less than 5 million bu in the interior, as well as private and mill elevators. Therefore pressure from now on will be extremely light, and indications point toward an early opening of navigation, which will probably see a considerable movement of wheat from that country to European ports.

At the last our May wheat showed a decline of 1 1/2¢ per bu, but the deferred months made some gain upon the old-crop month. We feel that if the weather continues favorable present prices of July wheat are plenty high enough, particularly if we are to have a year next season when carrying charges will again occur.

Corn and oats remained relatively strong. These cereals seem to have some merit, but rye followed more the lead of wheat and closed somewhat lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 15, 1937

With somewhat smaller shipments last week from Southern Hemisphere, world wheat exports were a little lighter at 12,219,000 bu, but yet large compared with last year when they amount to only 8,983,000 bu. There was also a small reduction in the amount on ocean passage, but the figure is still very large at nearly 59 million bu.

Liverpool market this morning was very strong, the close showing advances ranging from 2 1/4 to 3 1/8¢ per bu. We believe that a renewed demand on part of Italy and Germany was probably the reason for firmness, and also recognition of the fact that the old crop situation is strong and that supplies at the end of the season will be greatly reduced from the last three or four years. This also refers to Canada where the Wheat Board has been doing good work, and despite the fact that their prices are holding relatively high, there is some business in small lots from Vancouver; and today the demand for eastern Manitobas was revived, reports claiming that about 1 1/2 million bu of wheat had been taken overnight. The chances are that ocean space will be comparatively scarce, and should there be an advance in freight rates as a result of this situation, it may mean higher prices in Liverpool for wheat delivered on the other side.

It was almost a foregone conclusion that our market would be considerably stronger, but yet one would have imagined that the demand would be more for old crop futures than for the new. This particularly so because of the additional moisture which occurred over southwestern territories during the last two days, and the further promise, according to map readers, that rains or snows might develop again by tomorrow. Nevertheless there was a fair amount of unspreading by those who felt that the present milling demand was inadequate to maintain May wheat at the large premium over deferred months; and consequently the purchases of July wheat, which took place through these unspreading operations, created greater strength for July and September wheat than for May.

Receipts at primary points were also quite large at 529,000 bu compared with 646,000 bu last year. This in our opinion is an indication that farmers in general must be pretty well satisfied with the outlook for next summer's crop; otherwise they would probably not be selling so heavily at this time. It is our opinion that with the strengthening conditions in world markets, no great weakness will take place yet on this crop. If finally our carryover is reduced to 100 million bu or less, the amount will be the smallest in the last ten years; and in view of the additional storage capacity both by elevator interests and by mill operators, there will not be any great surplus in any position. Furthermore, there is always a fair demand for old wheat because the mills themselves must carry moderate supplies in the event of a demand during June; and for that reason we think that as time goes on the picture will strengthen in favor of present holders, but this will change the moment new wheat comes to market in commercial quantities. We are looking forward to large receipts in Chicago during the last few weeks of July, particularly as we feel that the amount of winter killing in the central wheat states is smaller than last year, and finally big returns might result on the increased acreage.

(OVER)

The visible supply of wheat showed just a moderate decrease today, being 1,374,000 bu, and total stocks are down to nearly 36 million bu. This is about 14 million bu smaller than for the corresponding period last year. Chicago stocks decreased 126,000 bu, but are small, with only about 4 1/2 million bu of wheat here; of this amount we believe that fair quantities have been sold but not yet moved, and also some feed wheat and possibly some spring wheat which could not be delivered. Taking it all in all, we do not believe that deliveries on May 1st, based on these figures, will be burdensome.

A good deal of strength came right after the opening, and markets gained ground as the session progressed, as Winnipeg was very strong, their futures advancing more than 3¢ per bu over Saturday's close. This lent some encouragement to the local element, and at the last our May wheat showed an advance of 1 7/8¢ per bu, while July wheat was 3 1/4¢ per bu higher.

It may be a little bit too early to play the short side of July wheat, but we can hardly imagine that when the movement once starts in earnest that present prices will be maintained.

Corn was firmer in sympathy with wheat. The visible supply showed a slight increase, and stocks are 6,789,000 bu larger than a year ago, but no great accumulations are taking place.

The oat market was higher; the visible supply decreased heavily, the shrinkage amounting to 1,694,000 bu, and total stocks in all positions are reduced to 21,880,000 bu. Statistically this cereal seems to be improving right along.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 16, 1937.

In order to form a proper opinion of what we may expect in the way of inflation in commodity prices on account of the larger gold production, as well as the devaluation of the dollar, it is well to look into the past and see what happened under similar circumstances. It must be recognized, however, that prior to 1933 no such revolutionary changes as the present ones had taken place. In going back to the year 1890, after the discovery of gold mines in South Africa, the yearly production of gold was 5,749,000 fine ounces; in 1910, the production had increased to 22 million ounces. However, populations all over the world had increased so fast, as well as international trade, that the additional gold accumulated proved to be no great burden. Nevertheless, during those twenty years, in spite of intermittent depressions or panics, there was a steady and gradual increase in prices. During the War gold production decreased, but it expanded again in 1933 to over 25 million ounces; and in 1935, to 30 million ounces.

Owing to the higher price paid per ounce now, the value in dollars is still more striking. In 1890, it amounted to about 118 million dollars; in 1910, to 455 million dollars; in 1933, 525 million dollars; and in 1935, to one billion, fifty million dollars.

Practically all economists agree that while there are numerous restrictions, values all over the world with few exceptions are still based on gold. The situation is particularly impressive in the United States, where gold reserves grew from 4 billion dollars in 1933 to 11 1/2 billion dollars at the present time, which is practically as much as total world gold reserves amounted to in 1933 before devaluation took place.

This does not tell the whole story yet. Since the gold price has been raised 69 per cent, and since the average level of prices, including wages, have gone up nowhere near that much, the temptation to work every mine which shows a profit leads us to the belief that further increases in gold production, together with accumulations, will take place. As gold seems to be over-valued compared with other commodities, the chances are the latter will have to rise until there is a proper balance established again between the two. This, of course, would mean still higher prices; and at least to some extent accounts for the advances which have taken place of late, including those in wheat. However, wheat would have sold at reasonably high prices in any case, owing to the decrease in carryovers on the 1st of July, 1936, together with drought conditions in many countries where yields were extremely poor per acre on a smaller acreage. The total European crop in 1936, for instance , was only 1,471,000,000 bu compared with 1,566,000,000 bu in 1935, which year was more nearly normal. United States and Canada, together, produced 872 million bu, which might easily be raised this year in the United States alone; so if Canada would raise 300 to 400 million bu of wheat the coming season, there would be that much more in North America. They had very poor crops in Algeria and French Morocco --about 94 million bu compared with 130 million bu the year before, and they have become importers for certain grades, while ordinarily they are big exporters to France. This all has to be kept in mind to form proper judgment of what values are likely to be after the new crop comes on the market. No positive price figures may be given as yet until the crop is further advanced, so that we may know what the probable yields will be in the various countries; but with normal conditions we may enter a year of plenty after a year of scarcity.

There was considerably less excitement early today; not much encouragement to the bull side was furnished by the European news. The highest price obtained at Buenos Aires did not hold, and final Liverpool cables were only 1/4 to 3/4¢ per bu higher than yesterday's close. There was a pause in the Continental demand for wheat. The

(O V E R)

urgent need for wheat may have been filled for the present, Continental ports receiving during the past week as much as 5,760,000 bu, of which 2,568,000 bu were received at Italian ports alone. Liverpool stocks have increased from 1,016,000 bu a month ago to 4,504,000 bu at the present time.

Primary receipts of wheat amounted to 286,000 bu compared with 260,000 bu last year. Stocks at Kansas City show no decrease so far this week, and Minneapolis decreased only 50,000 bu. Nevertheless, May wheat was the strongest during a large part of the session, as it is assumed the supply of old wheat will be very scarce before the new crop comes. We feel that continued encouragement is needed from abroad to maintain present values of July and September wheat, while May wheat will remain more or less of a domestic proposition. During the last hour of the session the Winnipeg market showed great firmness, and ours sympathised with it. The fact remains that there is absolutely no pressure from hedging sales, and any large buying by believers in inflation easily boosts prices. This situation may last for about three months more, but it will not determine the price structure when farmers tempted by high prices will market their new crop later on.

At the close May wheat showed an advance of 7/8¢ per bu, and July 1 1/8¢ compared with yesterday.

Corn premiums remain quite strong and receipts are rather light, but the East is still being supplied with Argentine corn; and while this condition lasts no actual scarcity is likely to develop.

Oats are more or less neglected, but stocks are decreasing right along, and later on the outlook for the new crop may decide the price level.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
IEW YORK COCOA EXCHANGE
/ YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 17, 1937.

There seems to be no abatement in the foreign demand for wheat, nd despite the large advance which has taken place over 750,000 bu f Canadian wheat was sold again overnight. In all foreign markets here there is trading in futures, advances overnight were quite coniderable, and Liverpool futures showed a gain of 3 1/4 to 4¢ per bu. hat market as a rule acts more conservatively than others; of course, raders there are human, the same as everywhere else, and English illers may feel that they had overstayed their market. Nobody had alculated early in the season that Italy and Germany would take such normous quantities, but it shows again that no matter how financially oor some countries are, they are always able to raise enough money o feed their populations, even if less essentials have to be sacificed, in order to save enough exchange for foreign purchases. The rgentine market, and even Rotterdam, also followed suit in the dvance, and practically everywhere the highest prices of the season ere attained.

All during this season we had called attention to the close adustment between supply and demand, but at no time did it seem as if n actual scarcity would develop. With the additional demands which ave made their appearance, it now seems as if the adjustment beween supply and demand at the end of the season will be one of the losest which has been seen in peace times for a long while. This aturally has its effect on new crop futures, as the possibility xists that should supplies in Europe be exhausted, there might be an arly demand for United States wheat, and this might prevent such arly accumulations as otherwise would occur. However, we do not hare this view, provided we shall have normal yields this season on n increased acreage, and that nothing unforeseen happens from now on o disturb the rather favorable crop outlook. There is nothing sure bout this, as so much will depend upon weather conditions and the mount of rain with which the country will be favored. However, the dds are now in favor of fairly large crops.

We know positively that the winter wheat acreage is the largest n record and we also assume that the amount of winter killing this eason will be very much smaller than during the past few years. onsequently, we might take it as an absolute fact, and this is as ar as one may be positive: that the standing acreage will be very uch larger than in 1936 or 1935. It might be as much as 10 million cres more than last year, and on this acreage alone even a poor ield such as last year's might produce an extra 130 to 140 million u; so that if the carryover in this country should be 40 million bu ess than last season, the quantity available here ought to be very uch larger. Similar conditions might exist in Canada, where the maller supplies carried over might be offset by additional raisings his season. In Europe they had subnormal yields and the outcome f their crops, therefore, will have to be very closely watched.

One new factor, of course, has arisen, which, while more or ess dormant for a number of years, is coming to the fore again: amely, inflation, and therefore very cheap prices should be left out f all calculations. It is well to visualize what is likely to happen uring the month of July, provided again that we shall have normal rops, and that is, at this present level of prices there will be a orrespondingly larger movement than usual on account of the high rices. This particularly so as next season, in all probability, the mount of feeding to animals will be very much reduced; and as long s the farmer is satisfied with the price, wheat might come on the arket in larger quantities than can be absorbed by speculators. Even f finally a high price level should be justified, it is not likely hat maximum prices will be obtained at the time when every wheat-growng state will be offering the cash article freely at almost the same ime.

(OVER)

While the foreign excitement lasts we presume little attention will be paid to the growing crop prospects in this country; but it should not be forgotten that they will be extremely important in the final structure of prices. General reports from the Southwest are quite favorable. There was no moisture overnight, and little predicted for tomorrow, except in isolated places; however, the plant is not suffering at the present time, but timely rains would be very helpful.

The actual cash demand we believe was somewhat better in the Southwest, where wheat is selling comparatively cheaper than anywhere else, quality considered; therefore, their stocks ought to decrease much faster from now on. So far this week Kansas City stocks show a decrease of 92,000 bu. Primary receipts keep rather light --251,000 bu against 345,000 last year.

At the close our market showed an advance of 1¢ per bu for the May wheat, and 1 5/8¢ per bu for the July.

Interest in corn is extremely small, and fluctuations occur mostly in sympathy with wheat.

Oats are much in the same position at the present time, but stocks are decreasing right along, and certainly will not prove to be very burdensome.

Should present grain prices be anywhere near maintained when wheat is actually moving, it ought to be the greatest stimulant to general business that we have experienced as yet. A large crop, together with high prices for wheat, and possibly further contributions on part of the Government, would create a farmers' buying power strong enough to overcome many obstacles existing at this time, such as strikes, etc.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO March 18, 1937.

We are about three months away from the period when we shall obtain the first threshing returns from the territories furthest advanced in the winter wheat belt. As time goes on, and almost daily, the new crop outlook will become more the dominating factor in the wheat price structure. This particularly so if the world should suddenly come to the realization that the United States might again become an important factor in the wheat export business which has not been the case during the last three or four years. Of course, it is too early to be positive on this subject, but the crop has advanced sufficiently so that we may come to some conclusions, although of course they may have to be altered, depending upon the amount of rainfall and other weather conditions which from now on will influence the plant.

We know positively that, according to government estimates, the acreage sown during the Fall was 57,187,000 acres, which is about 7 1/2 million acres more than last season and almost 14 million acres more than in 1932 when it had reached its lowest point. The differences on the standing acreages might be even greater provided we are correct in our view that the amount of winter killing this year, while probably above average, will be smaller than it has been recently; it might not exceed 16 per cent, in which case the standing acreage would be about 48 million acres. This would compare with 37,608,000 acres harvested last year, or over 10 million acres more, and about 18 million acres more than in 1933 in which year the lowest area was harvested. Assuming that the yield per acre would be the lowest ever realized during the last ten years, or 12.4 bushels per acre in 1933, we would have a crop of approximately 600 million bu; but should we produce as much as the average of 1928-1932, 15.2 bu per acre, results would show 729 million bushels. Therefore, in any case, the outlook at the present time is promising by way of comparison with the last four years.

Liverpool cables were somewhat lower today, the various futures declining from 1/2 to 1¢ per bu. When it is considered, however, that there had been a steady rise in prices since the close of last Saturday, it is only natural, regardless of the final outcome, there should be a temporary halt, and it cannot be regarded as of particular importance. There was also a lull in cargo purchases for the same reason --namely, buyers could notmake up their minds so quickly to follow the late advances.

Similar conditions existed here early; there was more hesitancy in making new commitments on the long side, but liquidation was comparatively small. During the last hour of the session the Winnipeg market became extremely strong,and our early declines were more than recovered, final prices being higher than yesterday --3/4¢ advance for the May delivery and 3/4¢ per bu for the July. This is particularly significant, as there was quite a break in New York stocks, and any change in Wall Street prices usually is reflected here more or less, as many of the same traders are interested in both markets. The fact that some commodities such as hides and rubber were actually higher probably modified any very bearish sentiment which might have been generated.

Primary receipts continue to be light --262,000 bu versus 341,000 a year ago. Stocks at Minneapolis and Kansas City so far this week show a decrease of 273,000 bu. We look for another decrease in the visible supply on Monday, but it will probably only be a very moderate.

The wheat market shows very plainly that there is no immediate pressure in sight on part of actual owners of cash wheat, as it is the consensus that whatever wheat is left in various positions will all be wanted, with the minimum of reserves until the new crop is available in commercial quantities. The fact that Argentina shipped again about 8 million bu might eventually satisfy the needs of European millers, and any let-up in the foreign demand might change sentiment quickly. Inflation fears will continue, and undoubtedly be responsible for a higher price level than would otherwise exist.

Trade in corn and oats was rather limited, not much interest is being shown in either of these cereals, and price fluctuations were more or less in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 19, 1937.

The Buenos Aires market was closed today, so there was only Canada left where importers could make large purchases should they feel inclined to do so. However there seemed to be a halt in the buying fever abroad. English millers were very much impressed with the heavy clearances from both the Argentine and Australia, total amounting to almost 12 million bu. As it is assumed that tremendous quantities were put afloat for orders and a good deal not yet sold, it created a change in sentiment. Undoubtedly a fair percentage has been placed already in Italy and Germany, but an excess above their needs might be remaining for the United Kingdom, as stocks at English ports have been increasing lately. Undoubtedly the amount afloat on passage will also increase again, and the more cautious traders evidently were more reluctant to enter new commitments.

The Liverpool futures market, which had actually opened higher, reflecting the great strength in Winnipeg and in our market at the close yesterday, declined during the session, and their final prices showed a loss of 1 1/4 to 2 1/4¢ per bu compared with the previous day.

The world situation for the old crop, however, is bound to remain relatively firm, in our opinion. It is estimated by Sanford Evans that as of March 13th total available supplies for export and carryover for Canada were 101,959,000 bu
Argentina 79,403,000 bu
Australia 49,949,000 bu, or a

Total of - 231, 311,000 ",

with 20 weeks to go until August 1st. Therefore, assuming that every bushel would be shipped and that there would be no other resources, it would take only 11 1/2 million bu weekly to exhaust all these supplies. Of course, such a quantity will not be entirely needed unless Broomhall finds that his estimated figures for import needs from now on would have to be raised, as he believes that only 9,940,000 bu weekly will be required until August 1st. Furthermore after opening of navigation the Danubian countries will be able to ship more freely; also India, while not an important factor, will be tempted at these prices to sell some of its new crop wheat to Europe; and smaller quantities might also be obtained elsewhere. On the other hand, neither Argentina nor Australia can afford to sell their last bushel, as they both have to supply non-European countries from August 1st until the turn of the year; Brazil alone will require fair quantities which are not easily obtainable anywhere else.

In conclusion, therefore, we assume that the old-crop situation will remain very closely adjusted, and any breaks, should they occur at all, would only be in sympathy with lower prices for the new crop future, provided that both here and in Europe crops should be very promising. This, of course, may be the case, as we had more timely rains in the Southwest; they are only moderate so far, but the weather predictions are such that more may be expected. It should never be forgotten that the poor crops we raised the last three or four years were largely due to the small acreage which was left standing after some of the heaviest abandonments which have ever taken place. We think we are safe in assuming that this is not the case this year; therefore, the probabilities are still for winter wheat yields sufficiently large so that with even only a moderate spring wheat crop we shall become wheat exporters again instead of importers.

Primary receipts were only small --242,000 bu versus 403,000 bu last year. Little attention is being paid to statistics, and there was none of the emotional buying which had taken place yesterday, and which was responsible for the late spurt in prices. There was a steady decline today with but few reactions, but no panicky feeling at any time, the trade still being impressed with the fact that at the present time we are in an inflationary period and that many other conditions have changed so much that it is more difficult than ever to tell what constitutes a low or a high price.

At the close the decline amounted to 2 3/4c per bu for the May wheat and 2 7/8c for the July compared with the previous day.

The open interest in all wheat futures in this market, amounting to 113,332,000 bu. is still very large considering the moderate amount of wheat in the visible supply and other positions, so it could not possibly be construed as if the short interest were almost entirely hedging sales. The open interest in May wheat amounts to 57,445,000 bu. and as the amount available for contracts in this city is very small the question naturally will arise whether the shorts or the longs will become scared first; and should there be any considerable buying in May wheat either as a removal of hedges or covering by shorts, the market would be very susceptible and sharp fluctuations would be in order.

The trade in corn, oats, and rye continues to remain neglected. While the total volume of trading yesterday in wheat alone was almost 38 million bu, trade in corn was only 4,475,000 bu, in oats 3,111,000 bu, and in rye 1,135,000 bu. Therefore, fluctuations of these cereals are largely in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 20, 1937.

After yesterday's sharp break in wheat, sentiment this morning changed completely when Liverpool cables were comparatively strong, their declines being only 1/4 to 1/2¢ per bu for their futures, whereas a much greater reaction had been looked for. Furthermore signs are multiplying that the old-crop world wheat situation will become more intensified. None of the exporting countries are left with large exportable surpluses; the Southern Hemisphere was relied upon to supply the great European needs until later on when the United States and Canada can fill the gap when their new crop starts moving. However, it now seems that severe inroads have been made on both the Argentine and Australian wheat stocks, and rumors are rife that the Argentine Grain Board is alarmed over the heavy exports, and they may possibly enforce restrictions to safeguard home requirements. We still have grave doubts that anything will be done in this direction, because we think higher prices will regulate the export business without any governmental interference. In the meantime, prices at Buenos Aires have been advancing again, their futures closing about 1 1/2¢ per bu higher. Therefore no cheap wheat is to be had anywhere at the present time.

Precipitation has occurred during the past 24 hours over Nebraska, where it is badly needed; Kansas, Iowa, Missouri, Illinois, and Indiana also had moisture in spots, and the long-time outlook for more is also quite favorable. The Official Weekly Grain Belt forecasts for the upper Mississippi and lower Missouri precipitation for the first of the week and again for the close, with temperatures near or below normal. Should this materialize,we consider it a very favorable outlook for this time of the year.

In the meantime, the Government report issued last night on the spring wheat acreage which probably will be left standing for harvest after deducting average abandonment, was for 20,980,000 acres, anda total spring and winter wheat crop left for harvest of 67,268,000 acres. From this we conclude, judging from the planted acres, that there would be an abandonment of about 19 per cent of winter wheat. The total net acreage left for both winter and spring wheat would be about 18 1/2 million acres more than last year. An average crop on this additional acreage alone would furnish considerably over 200 million bu; as the crop outlook for the balance is also more favorable, and it is not likely that last year's drought will be repeated, we might easily raise 250 million bu more wheat than last season.

Canada also had very good rains overnight, and a large acreage is expected. So it is quite possible that even with depleted stocks everywhere the amount of wheat which will be available in 1937-38 will change the picture entirely, and instead of a scarcity there will be sufficient quantities for all needs and a surplus for normal carry-overs later on.

Nevertheless, at the present time the trade is inclined to buy the more distant futures on account of the comparatively lower prices, and until there are hedging sales in larger quantities to satisfy the demand, declines may be delayed until the actual crop movement starts. Speculatively, May wheat is neglected, and trades in same are mostly evening up of old commitments with occasional removal of hedges on part of cash handlers. This will continue for some time as stocks are likely to decrease right along, although the visible supply next Monday probably will not show quite as large a decrease as it did the same period a year ago, when it amounted to 1,697,000 bu. Stocks at Kansas City and Minneapolis for the week show a decrease of 401,000 bu. Primary receipts of wheat were rather light --270,000 bu compared with 420,000 bu a year ago.

The strength in wheat continued up to the close, final prices showing an advance of 2 1/8¢ per bu for the May future and 2 5/8¢ for the July.

Trade in corn, oats, and rye continued to be neglected, and fluctuations were largely influenced by the sister cereal, in consequence of which they were all some higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 22, 1937.

Despite heavy world shipments this week, which amounted to nearly 5 million bu compared with only 8,750,000 bu last year, prices abroad ere unusually strong, and at the close Liverpool showed advances anging from 4 to 4 3/4¢ per bu. It is not often that British traders ecome so emotional, and even October wheat on the other side advanced o practically $1.38, which apparently shows that they are scared ot only of immediate supplies, but also of a possible situation in e event that a crop failure would occur either in this country or n Canada next summer. Possibly the fact that we have had four crop ailures here in succession, with about as many in Canada, with only oor yields, makes this psychology possible at the moment.

Actually reports from the growing winter wheat areas are mostly ptimistic, and we saw one or two from Oklahoma which claimed that he crop, according to present prospects, mightrun as high as 50 to 0 million bu. There were also reports from Kansas which were quite avorable, but these were mostly lost sight of when Argentine prices howed advances of as much as 5 1/2¢ per bu, together with a statement by the National Grain Board in that country pointing out that in iew of the extraordinarily high wheat shipments it might become ecessary to place a check upon exports, in order to safeguard omestic supplies. In our opinion this step will become quite unecessary, because after all price is generally the best regulator; nd should there be advances putting their wheat more in line with anadian levels, we feel that the demand will drop off and that the eavy shipments will become smaller, as they generally do at this eason of the year.

When our market opened advances were sufficiently tempting to ause some profit-taking, and since there were practically no large horts left there was probably less excitement than one would have magined, in view of new highs being established in practically all orld markets.

Broomhall still maintains his estimate of importers' requirements uring the current crop season at 568 million bu, of which 120 million u will go to non-Europe, and he believes that the large floating tocks will keep importers well supplied for the last few months of he present season until new supplies are available. After all, there re still 60 million bu of wheat on ocean passage, and while the adustment this year is apt to be very close, we do not feel that the carcity will be sufficient to create real alarm.

Primary receipts today were 389,000 bu versus 549,000 last year. hen the visible supply was posted today it showed a decrease much n line with expectations: namely, a 1,503,000 bu shrinkage, bringing otal stocks in all positions to 34,749,000 bu. This is 14,601,000 u smaller than for the corresponding day last year, and we believe hat by the end of the season supplies will have been sufficiently ~~educed~~ so that our May wheat should command a good premium over the eferred months. This is particularly so, because Chicago stocks are lso shrinking; for the week they declined 214,000 bu, placing the emaining supplies here at only 4,367,000 bu. Our guess is that after pening of navigation there will be some wheat ordered out of elevators robably to be shipped to Buffalo. Then there is a fair percentage f feed wheat here, and also other grades not deliverable, which would uggest that contract grades will not be burdensome.

July wheat while temporarily influenced by the strong world situaion will finally be a leader, and if we raise good reserves over and bove home requirements the movement might be tremendous, and cause ther markets to pay attention to any such changed conditions.

Our weather man is of the opinion that by tomorrow moisture may evelop again in parts of the Southwest, and any further improvement n the crop outlook cannot be ignored.

(O V E R)

Best prices of the day were not maintained, and despite the fact that Winnipeg May wheat went to a premium over us for the first time this season, we believe a great deal of caution is necessary on the extreme bulges.

Wheat imports for consumption are becoming smaller; for the week they were 236,000 bu, but we cannot afford on the present differential to take much more Canadian wheat, as the 42-cent per bushel duty makes it almost prohibitive.

At the last our May wheat showed an advance of 1¢ per bu. The deferred months were comparatively firm, as a good many people have been making commitments with the thought that there will be a pretty good demand for our winter wheat next July and August if other exporting countries have their surpluses so very much reduced. The fact that the stock market was weak had very little influence upon grains.

Corn at times was fairly strong, but also reacted with the leading cereal when profit-taking came into the market.

The two cereals which were disappointing were rye and oats. There was a decrease in the oat visible of 1,286,000 bu; the cash basis was firm to higher, and total stocks are 17 million bu smaller than last year, but there seems to be very little speculative enthusiasm in the pit and bulges seemed difficult to sustain.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
Y YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 23, 1937.

For many months Argentine prices have practically been on the rgain counter, and their policy, conforming to regular merchandizing inciples, was to keep wheat attractive to foreigners in order to get d of their surpluses. The opposite method had been tried in various ountries with rather dire results; and in most cases withholding any rticle from consumption for any protracted period meant the piling of reserves for later periods. Certainly the Argentine merchants ave nothing to be ashamed of in the handling of their problem. By eeping their grain at all times on the market, they sold heavily, and ow that the surpluses are much more manageable they are benefiting, nd receiving prices more nearly in line with those in Canada. Their heat is inferior to the Canadian wheat in quality, and also has to ay a duty when it is imported into England. Therefore, certain acrifices had to be made. This morning there was a further advance t Buenos Aires, and this tended to keep Liverpool quite strong and inal quotations showed advances of 1/8 to 1/2¢ per bu, although delines had been looked for following our reactions of yesterday. It as claimed in international wheat circles that business was again uite substantial, and very likely Europe in seeing higher prices right long has become scared and bought somewhat in advance of needs.

There is no question in our mind but that the old-crop situation, oth domestic and world-wide, is a very sound one. Finally the adjustent between supply and demand will be very close; and we have been iguring on just this for the past six months.

However, the most important thing right now is the new-crop outook, and at the moment it is extremely favorable, and will probably ecome more so with the moisture that is reported at various southestern points at this writing, and also the possibility of more onight and tomorrow, according to some map readers. For that reason uly wheat was under some pressure and widened its discount under May heat, and should crop prospects remain encouraging this might very ikely extend further. We still believe that one of these days both iverpool and Argentina will reverse themselves, and for that reason, ven May wheat close to $1.40 would suggest that some caution is ecessary. We admit that inflation is still a factor, but when we ompare present prices to those of the deflation period when wheat old almost down to the 40¢ level, one cannot become too enthusiastic n extreme bulges such as we had yesterday. Naturally, it is impossible o forecast the absolute top, and should there be some excited buying t any time either by importers abroad, or by others, there could be emporary periods of great strength, but in a few weeks after growing eather sets in the whole picture may look changed. With that in ind we expect to see finally lower prices, at least for the new crop onths, if the crop prospects are maintained.

Meanwhile,old wheat will remain scarce, and we doubt whether deiveries early in May will be made on contract unless further price eadjustments take place.

At interior points today carlot receipts were much more moderate; n fact, primary receipts today were only 265,000 bu compared with 9,000 bu last year. So far this week Kansas City stocks are practiclly unchanged, while Minneapolis shows a decrease of 60,000 bu.

Our market almost throughout was a very choppy affair. At no time id May wheat show weakness; in fact, was influenced to a large extent y foreign markets, and particularly by the swings in Winnipeg which ere quite erratic. There was a report that 300,000 bu of United tates wheat had been sold from the Pacific coast, and this had a lightly bullish effect upon May wheat, which closed 1/2¢ per bu higher. s stated before, the new-crop months were influenced by the very many eports of rains and generally favorable conditions surrounding the ew crop, so that at the last July wheat showed a decline of 1/2¢ per u.

There is at least one very hopeful sign in the agricultural outook; namely, that with present high prices farmers' incomes will be uch that a great many securities should finally do much better. With 7 million acres of winter wheat sown, and abandonment smaller than a ear ago, it looks to us as though the farmer would get a very good rop and probably very reasonable prices.

Trade in corn was moderate, prices held firm, but there was no reat feature. The oat market continues to be rather disappointing. he absence of any speculative demand prevents much in the way of price nhancement. Even when wheat became strong at times oats benefited but ittle, and while the statistical position improves each week there are ardly enough price changes to broaden the outside demand.

CHICAGO   March 22, 1917.

[illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 24, 1937.

Liverpool prices were very strong this morning, and at the close wheat had risen 2 1/4 to 2 7/8¢ per bu. It was almost a foregone conclusion that there would be some excitement in view of the sharp advances which occurred at Buenos Aires yesterday after our market had closed. Germany and Italy were reported as buyers again this morning, and this had a very bullish effect upon sentiment. The estimated Argentine shipments were quite large again at 5,695,000 bu compared with only 1,355,000 bu a year ago.

In studying the situation down there since last August, we find that total Argentine exports, as of March 19th, were 111 million bu. If we take into account that 95 million bu is required at home, including seed, etc., and deduct this from the crop and carryover figure, which is estimated at about 277 million bu, it will be seen that there is practically 71 million bu still available in the event that the last bushel of wheat would be sold. We are not convinced in our own minds that all of the afloat stocks from the Southern Hemisphere have been sold yet. It may be that a fair portion is speculatively held; and if our reasoning is correct on this, one might further assume that possibly some of the recent excitement in a narrow market such as Buenos Aires was more or less speculative in character. With rising prices for Buenos Aires futures it has been easier to sell some of the wheat which is now destined to European shores. Importers probably buy more readily on advancing markets, particularly when they become scared; and this has been the case during the last few weeks with Germany, Italy, and the United Kingdom taking sizable quantities because of the deficiency in supplies at home.

For six months we have felt that the adjustment between supply and demand would be very close, and we have also pointed to the diminishing supplies in exporting countries, calling attention to the fact that these are factors more felt at the end of the season than at the start. Mr. Broomhall increased his ideas of world wheat requirements by just 8 million bu, taking into account all the factors at the present time. He figures that European countries will need about 448 million bu, while ex-European nations will take about 128 million bu, or a total of 576 million bu. On that basis it means a rather tight situation, but yet not so tight that anybody will have to starve, or that we shall have very fancy prices.

Winnipeg was influenced by the large overnight business, and the strength abroad, and this in turn influenced our market, particularly the May delivery, which is an old-crop month. There was, however, an offset by way of overnight moisture which further improved crop prospects and seemed to have been very general. There is also the hope on part of map readers that we will get further rains or snows before clearing weather sets in. In parts of Nebraska they heralded the wet weather as most beneficial for the winter wheat crop. A blizzard occurred west of North Platte, and there even highways were blocked. So snow coming this late in the season and sinking slowly into the ground might give us an entirely different picture in another few months. If present wheat crop prospects are maintained, and if futures prices remain at anywhere near present levels, we are apt to find a wheat crop likely to earn the American farmer one billion dollars this coming year. This is probably three or four hundred million dollars more than last year, and the largest earnings in over ten years. In addition, everything else raised, including cattle and hogs, is bringing such good prices that nobody can measure the increased buying power this coming fall. Such benefits extend even further because of increased traffic to the railroads and other shipping interests, and should be a most welcome sign from an economic point of view.

Primary receipts today were 211,000 bu compared with 242,000 bu a year ago. So far this week stocks at Kansas City and Minneapolis show a total decrease of 173,000 bu.

In spite of an advance of about 3¢ per bu at Winnipeg our market acted rather strained, and May wheat closed only 7/8¢ per bu higher while July wheat lagged and lost most of the early advance to close with only a gain of 1/4¢ per bu. The new-crop situation is becoming more the dominant factor, and should there be any reversal in foreign markets we would expect to see some liquidation here.

Corn was somewhat better, premiums are holding up, and there does not seem to be any pressure. Oats were firm, but there was no feature in this pit, while rye was in somewhat better demand influenced by the strength in wheat.

UHLMANN GRAIN CO

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 25, 1937.

Despite liberal shipments from Southern Hemisphere amounting to 8 million bu, Liverpool prices were very strong again, and at the close advances were registered of 7/8 to 2 3/4¢ per bu. The fact that surpluses in all exporting countries are dwindling is apparently a factor abroad; and Broomhall now figures that there is only about 42 million bu of wheat left in Australia compared with 53 million bu at the same period last year.

Fresh business overnight was rather light, and Winnipeg shippers claimed that there was no volume of trade today, but possibly the Easter holidays are responsible for a temporary lull. The carryover feeling from yesterday had been quite bullish, owing to the fact that Winnipeg had advanced 3¢ per bu, and with further encouragement from abroad our opening prices were reasonably strong. Even the new crop futures shared in the upturn, and while a great many reports are coming from the growing areas claiming that conditions suggest a very fine crop, one has to take into account the momentary factors of strengthening world prices, which may temporarily carry the entire market somewhat higher.

Without attempting to be too bromidic, we quote from an old adage which claims that bad news travels much faster than good. Possibly 85 per cent of the winter wheat acreage received beneficial moisture, and according to the Modern Miller about the only exception was the southwestern part of Kansas and parts of the Texas and Oklahoma Panhandles. Opinions with regard to yields are extremely optimistic, and some people venture the suggestion that Kansas might almost raise a bumper crop if conditions are right. The dry area in the Southwest is much smaller than last year, but with a few dust storms reported from isolated areas, this has been drawing almost as much attention as the wonderful improvement which is bound to take place as a result of moisture conditions. In the Northwest they have had fine snows, which should help implement seeding operations within the next few weeks. At the moment some delay due to the snow is preventing farm work, but at least the drought conditions seem to have been broken.

Our market was again very erratic. There is quite a nervous feeling amongst traders because on the one hand the old crop situation is strengthening all the while, with another new season's high established in Winnipeg, but as an offset the likelihood that from a period of scarcity we shall go to one of great plenty.

Primary receipts today were much the same as last year --277,000 bu compared with 278,000 bu at that time. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 263,000 bu. We expect another moderate shrinkage in the visible supply on Monday, versus a decrease last year of 1,149,000 bu .

One of the strengthening influences today was the large upturn in corn, the May delivery at one time showing an advance of 3¢ per bu. The yellow cereal suddenly came to life due to very firm cash premiums, and also large sales out of Chicago, which were estimated at about 285,000 bu.

The wheat market responded to this news, although early in the session there had been some heavy selling of September wheat, which carried the whole market down. Declines were but short-lived owing to the comparative strength in Winnipeg, and the feeling that there would be no great pressure upon the market until there were arrivals from the new crop, except if the winter wheat conditions remained good in another few weeks there might be some selling in anticipation of the movement.

At the last May wheat showed an advance of 1/8¢ per bu, while July being somewhat stronger advanced 7/8¢ per bu.

A great many comments are still heard about subsoil moisture conditions in Kansas. Some are of the impression that despite the recent relief a great deficiency exists. As a matter of fact tabulations compiled by Sanford Evans show that from last October until end of February at various reporting points there was en on average almost as much moisture as for normal periods. This includes even western sections located in the dust bowl; so there must be a good many places now which are better than average as this month was extremely favorable. Therefore, it is fair to assume that with normal weather from now on we shall at least have very fair crops again after several years of low yields.

As previously stated, corn showed independent strength, and was the leader today. This in turn exerted influence in the oat pit, and higher prices were registered with a better shipping demand also in evidence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 27, 1937.

Foreign and domestic markets were closed on Good Friday, and Liverpool and Buenos Aires were again closed today, although Winnipeg reopened with us. Having no quotations from abroad to guide us, our market opened at about unchanged levels; in fact, there was a temporary dip because of a few moisture reports in unexpected areas. However, our corn market started to rise abruptly, and advanced 4¢ per bu; Winnipeg was also extremely strong, going into new high ground; so there was very little left for us to do as far as the wheat market was concerned except to follow suit.

We can very easily see how the excitement may continue as long as markets go up steadily, and since there is no pressure yet either from this crop or in anticipation of a larger one next year, the line of least resistance temporarily seems to be on the bull side. This does not mean that there will not be a day of reckoning if the crop goes through to maturity in good shape; but it will be another 4 to 8 weeks before one can tell with any degree of certainty how much we are able to reap from the next harvest. Consequently the market will be susceptible to any scares in the meantime.

There were fairly large receipts at some interior points, and the primary movement was quite large today --451,000 bu compared with 278,000 bu last year. Map readers think that some of the dry areas in the dust bowl may be relieved during the next day or two; but on the whole the weekly weather outlook does not suggest a great deal of moisture for the period.

Despite the fact that Buenos Aires' prices have risen about 32¢ per bu during the past forty-five days, there still seems to be a fair inquiry for their wheat. While no figures have been given of the business during the holiday period it is assumed that some private contracts have been made. Furthermore there was a cable stating that Italy had bought between 15,000 and 20,000 tons of Danubian wheat. As long as Europe remains so eager for supplies we are not likely to get reactions of consequence. There was also a report that 6,000 tons of new Pacific white wheat had been sold for export for July and August shipment at $1.12 FOB coast. It is a fact with high prices ruling in Liverpool that our wheat probably from both coasts will be on an export parity next summer. This alone, of course, will not necessarily mean a very high or scarcity price for wheat, because more still depends on whether later on Canada raises a large or a small crop, and also on future weather in Europe, because if their harvest is satisfactory the present tension may not exist later on.

There are no figures available for the change in Minneapolis stocks, but Kansas City shows a decrease of 259,000 bu for the week; it is likely, therefore, there will be a fair shrinkage in the visible supply on Monday.

Traders, however, are not much bothered with statistics at the moment; they have seen prices at Winnipeg advance over 20¢ per bu, with practically no reaction, and this they consider so impressive that they have gone ahead with purchases figuring that very high prices must prevail. The East has become much more interested in our market, and of course a good deal of money has been made in cotton and other commodities, which probably was also encouraging from a speculative point of view. With such strength as the market seemed to demonstrate, immediate forecasts are difficult to make, but we still believe that if present prices are maintained and the crop comes through on this large acreage that there will be a tremendous movement. Even on the assumption that we are on an export basis prices later on may be a good deal lower.

Corn is a commodity that so often goes in one direction. In any event, there was practically no resistance, and at times the May delivery reached the full allowable limit for a single day's trade. This in turn had its effect upon the oat market, although the demand recently has shown considerable improvement. May oats were in better demand, and appear to be cheap in comparison with corn.

Rye also went up, being influenced by the great strength in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 29, 1937.

When top prices for all wheat futures were reached today during the session we had seen consecutive advances the last eight business days. This undoubtedly had been caused by the tremendous purchases of European countries in all parts of the world where cash wheat was available; steadily advancing prices seemed to be no obstacle to exporters in making continued and larger sales from day to day. Such an extraordinary situation, although there may be a good reason for the anxiety to obtain wheat supplies, always brings with it a speculative following which usually boosts values higher than they really deserve. Whether this point has been reached as yet, is, of course, debatable; in any case, from past experience, great caution should be used after such spirited buying regardless of prices particularly as even the old wheat will not be exactly exhausted nor insufficient for all bread eaters, but a very tight situation no doubt will exist at the close of the old-crop year.

The unexpected element which brought about this condition was the tremendous purchases by two impoverished countries in Europe--Germany and Italy, and which had been no factor for a number of years. Even those foreign houses which did a large volume of the business had no idea that the transactions would be of such enormous size, and today they are not sure whether prospective needs have been largely covered or not. This uncertainty creates all kinds of hopes for still higher prices.

Inasmuch as Liverpool had been closed for several days during which period the Winnipeg and Buenos Aires markets had advanced sharply, a strong cable is due tomorrow. Should the staid Englishman consider that advances have been sufficient for the time and not fully respond to the strength which had been displayed during the holidays, longs might decide to take their profit, and on a declining market buyers are liable to become very scarce.

Fundamentally, however, we recognize that the old-crop situation is inherently sound, and with supplies so largely reduced in all exporting countries, it is likely to remain a sellers' market until the new crop moves in volume. World exports for the week were considerably smaller than recently --only 11,294,000 bu compared with 14,771,000 bu last week, but still larger than last year when they were 9,379,000 bu. As far as the United States is concerned, we feel that the old wheat stocks will be reduced to a minimum. Up to the present time imports of Canadian wheat and shipments from the Pacific coast to the East were some help in supplying our millers with part of their needs. However, with Winnipeg having risen so much more than we, it is likely that imports from now on will be only trifling--last week they were only 272,000 bu against 196,000 bu a year ago; and total imports for home consumption are now 27,418,000 bu versus 23,431,000 bu same period in 1936. We now estimate that total purchases in Canada on which duty will be paid will not be anywhere near as big as was anticipated earlier in the season. With a better demand from Europe for Pacific coast wheat we also expect that the surpluses which exist in the northwest Pacific will now go abroad. This should have a great strengthening effect on the Kansas City market, which is the only one which has reasonable amounts of wheat left for sale; and if no wheat is available there for Chicago, it also may affect our May wheat favorably.

Primary receipts today were 494,000 bu against 549,000 bu a year ago; shipments were large also, being 353,000 bu versus 151,000 bu last year. The visible supply showed a decrease this week of 1,514,000 bu, which is about 350,000 bu larger than the previous year. Total stocks now at all terminal points which figure in the visible supply are down to 33,235,000 bu compared with 47,201,000 bu last year. Chicago stocks show a decrease of 254,000 bu, and have been reduced to

(O V E R)

4,113,000 bu; inasmuch as this includes also some feed wheat, some imported Canadian wheat, and probably 1/2 to 1 million bu of wheat will go out at the opening of navigation, the amount of contract wheat which will be left for May delivery will be exceedingly small. Buffalo alone may absorb the largest share of it, as stocks there have been reduced to a minimum, and they are usually dependent upon the Northwest for their supplies, which are not available in quantities this season.

So altogether the old-crop wheat situation everywhere in the world is very interesting, but long before three months have elapsed the earliest new wheat will be coming on the market.

The crop outlook at the present time we consider as reasonably good, and with the large acreage total yields might be sufficient to give us a large exportable surplus. The weather news was quite propitious over the holidays --light to moderate snowfall having occurred over western Kansas and the Texas panhandle, which must be extremely favorable. The prediction also indicates considerable snow over the Central West and Southwest. If this materializes without any new stimulant from Europe we might see a considerable reaction in the new crop futures.

During the session many reports about good snows in territories where the chances for a good crop will be materially enhanced, led to liquidation. At the close May wheat showed an advance of 1/4¢ per bu, and July a decline of 3/8¢. Continued strength in the May wheat compared to the new-crop futures is not at all unlikely, provided there will be only a moderate demand for wheat. It seems that a very light country movement is now in sight, which should cause continued decreases in stocks.

Corn showed a strong undertone throughout the session. Primary receipts were light, only 489,000 bu against 788,000 bu a year ago. The visible decreased 645,000 bu, while in 1936 it increased 455,000 bu. Total stocks, however, are larger than the previous year, being 11,946,000 bu versus 7,200,000 respectively. We can see no pressure from anywhere as far as corn is concerned, as the time is also approaching when more caution will be needed in regard to importations from the Argentine on account of weather conditions.

Oats were very strong early, but suffered through the decline in wheat. Stocks, however, are very moderate --19,494,000 bu, and are 18 million bu less than in 1936.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 30, 1937.

In about two weeks our futures advanced more than 10¢ per bu. The incentive came from Europe, because as far as the United States is concerned, crop prospects, if anything, have improved and soil conditions today in the Southwest are more promising than they were then. Naturally when foreign markets showed greater hesitancy today, it had its immediate effect on sentiment here early. The Liverpool market, which was closed over the Easter holidays, during which time Chicago, Winnipeg, and Buenos Aires had sensational advances, finally closed from 1/2¢ up on the nearby delivery to 1/8¢ decline on May and October wheat. Buenos Aires, which had gradually but steadily advanced almost daily about 40¢ per bu from the lowest point, showed a decline today of from 2 7/8¢ to 3 5/8¢ per bu.

Cognizance of this was naturally taken in Winnipeg also, which country still has fair-sized quantities of wheat to dispose of, and she must compete with other exporting countries. However, Canada is not yet in a position to dictate prices all alone. As usual when a high price level is attained, wheat comes out from places which are not considered important as exporters. For instance, Germany is supposed to have purchased a fair quantity of wheat from Persia, a country which is hardly ever thought of as having a surplus for disposal above its own needs. It was also reported that between 300,000 and 350,000 bu of Pacific coast wheat was sold to go abroad. Until recently the Pacific coast had been selling and shipping its surplus to the Southwest, Southeast and Northwest, supplying millers there. Consequently, it is more than likely that this movement to interior mills in the East will stop; and as there is not much old wheat left for the large milling centers ineither the Southwest or the Northwest, this diversion to Europe ought to have a strengthening effect on cash wheat particularly at Kansas City. Should this prove to be true, any dissipation of fears that large shipments from Kansas City could come to Chicago to supply the May shorts, would have a strengthening effect on our May wheat. As a matter of fact, this future has been acting comparatively much better than the new-crop months for several days in succession.

Primary receipts continue to be very light --amounting today to 269,000 bu, and are exceeded by shipments of 321,000 bu. Therefore, already this early in the week it looks as if there would be another decrease in the visible supply on Monday. It is rather premature to guess just how low our visible supply figures will go before the new crop comes on the market, but should the disappearance be as large as it was last year after this period, stocks at terminal points would have to dwindle to about 8 million bu.

For the immediate present Europe appears to be pretty well supplied inasmuch as the amount on passage is still 57,960,000 bu versus 36,920,000 bu a year ago, and equal to about 5 weeks' requirements.

It is too early to tell much about the outcome of the foreign crops, but reports we are receiving are rather mixed. The outlook seems quite favorable in Russia and in the Balkan states, as well as in Italy, while France complains a great deal about too much wet weather. The same is the case in Germany. We believe that gradually from now on the prospects of the new crop will be the determining factor in shaping prices, and the outcome of the United States yields will be particularly important.

The weather here was reasonably fair during the last 24 hours, moderate moisture being reported in many places, and there are very few spots suffering at the present time from excessive drought.

(OVER)

A report will be given out by the Argentine Government tonight of its latest estimate on this year's yields of the crop; it is generally surmised that the outcome will probably be 10 million bu larger than previously expected.

Stocks at Kansas City and Minneapolis so far this week show a decrease of 197,000 bu. The open interest does not vary much, but it is still very large as far as May wheat is concerned, last night amounting to 52,293,000 bu. It is quite evident that the larger share of this will be evened up during next month; and much will depend upon whether the shorts or the longs will act first and take the initiative. Even hedgers this year are in a position where they are compelled to cover most of their contracts in the pit, as there is very little wheat available for actual delivery, stocks at Chicago being extremely small, with hardly an outside market on a shipping difference.

Toward the last hour of the session a complete reversal of sentiment took place; all the early decline was quickly recovered. The advance in prices was led by the great strength in corn futures, as well as in wheat at Winnipeg; a late decline at Buenos Aires had no effect whatsoever. The close showed an advance of 1¢ per bu for both the May and July deliveries.

Corn certainly was the leader. The fact that stocks in this city are so very small, and receipts so light, with no movement in sight from anywhere makes this cereal particularly susceptible to any important buying.

Oats and rye followed in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 31, 1937.

Liverpool cables were quite strong today, their futures advancing 1 3/8¢ for October and 3 3/8¢ per bu for May wheat, showing the same tendency as here --namely, a belief that old wheat is bound to remain scarce while there is some question whether present prices for new crop futures will be justified later. Argentine futures declined considerably. Advances at Buenos Aires had been so extreme that finally their wheat had become too dear and a readjustment was plainly over-due.

There was a greater lull in the operations of cash buyers and foreign interest in Manitobas was very slow with only a small scattered trade reported. Also, there were no transactions in Pacific coast wheat.

The second official estimate of the Argentine wheat crop was below the trade's expectation, the outcome of the crop now being figured at 2 million bu less than previously.

The foreign situation is so complicated, with Italy and Germany sometimes dominating the market, that for the time being it seems almost impossible for anybody to judge hourly or daily fluctuations. There are too many unforeseeable factors in the situation to make it possible to have very positive opinions for the time being. The outstanding features remain: namely, Old wheat is and will remain scarce before the new crop moves in commercial quantities. What the picture will be then depends a great deal upon the weather, both here and abroad, during the next three months. There are a few conditions we know positively which lead us to believe that when the crop once moves the picture might change unless something out of the ordinary should happen in the meantime. The fact that the acreage planted in the United States was a very large one, and there will be great temptation on account of the high price to put in as large a spring wheat acreage as possible in our Northwest as well as in Canada, gives a rather promising outlook for supplies next season. Furthermore, while the winter killing largely exceeds the average, it is not anywhere near as great as it was in 1936.

We have before us crop estimates by one of the regular crop reporters, Mrs. E. H. Miller, who estimates the winter wheat crop with many reservations at 616 million bu, claiming that it is a little too early to make an accurate prediction. This is only 97 million bu more than the disastrous crop of last year when there was a much smaller acreage. This must be disappointing to those who believe that large yields this season, with exhausted stocks, would be very beneficial to this country, as we could again assume leadership in the export business. When we analyze this report we find that the estimates for Oklahoma, Texas and Kansas alone are more than 100 million bu in excess of what was harvested last year. Considering that there was a tremendous increase in winter wheat acreages all over, and despite heavier winter killings in the Ohio valley, we are inclined to believe that later reports will show more favorably.

Primary receipts of wheat continue to be very modest, today being 295,000 bu, and while larger than last week when they were 211,000 bu, shipments were extremely large amounting to 455,000 bu. Thus early in the week stocks at Kansas City and Minneapolis show a decrease of 396,000 bu, forecasting another big decrease in the visible supply on Monday. There were also 35,000 bu of wheat sold out of Chicago where stocks are already exceedingly small. The amount of all wheat in public elevators is only 1,653,000 bu, of which, roughly speaking, there are about one million bu of #2 red wheat, 360,000 bu of hard wheat, and the balance is either mixed wheat not available for delivery, or spring or feed wheat. Therefore, we anticipate only the

(OVER)

smallest deliveries, if any, early in May.

It is this situation which creates a great deal of concern to those who are either short May wheat, or have it hedged, and where the wheat is in positions so it cannot be attracted to the Chicago market.

There was a trifle firmer feeling in cash wheat at Kansas City, and we believe that stocks there will not be much in excess of over 7 million bu next Monday; from this has to be deducted about 1 1/2 million bu which are already sold and not yet shipped. So this terminal, which is the only one which has a considerable amount of wheat in sight, is not likely to let it go as long as both northwestern and southwestern millers will need fair requirements before the new crop is available. This, of course, is on the assumption that farmers receipts from now on will be very light, and the price has been so attractive for such a long period that we must assume stocks remaining in their hands by this time must be extremely small.

Fluctuations were extremely erratic today; the greatest stimulant the wheat market received at times came from the great strength in corn, and as long as this cereal advances it will be difficult to bring about sharp declines in wheat.

Corn receipts continue to be light, and the demand remains fairly active. The open interest in this cereal, of the new, amounts to 11,259,000 bu, and 1,532,000 bu of the old. Of course, one may cancel the other as there may be spreading operations between the two, but yet it must be considered as very large with only 93,000 bu of all kinds of corn in public elevators; cash corn is bringing a good premium, and even the advanced prices of late have not been sufficiently attractive to bring about largely increased receipts.

Oats and rye followed mostly the other markets.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 1, 1937.

A great calm followed the excitement in the wheat market which had prevailed during the last two weeks. The causes which stimulated the advances are still existent to some extent:. namely, Germany and Italy, which countries earlier had not been figured on to be large importers, still continue to be moderate buyers; but it seems they are now getting part of their supplies from other sources, particularly the Danubian provinces, instead of Argentina and Canada, which are out of line at the present time. The consequence was a readjustment of prices in those latter countries which had shown greater weakness and declined now for several days. This makes it easier for the United Kingdom to obtain her supplies at reduced levels. Liverpool, therefore, showed a decline overnight of 2 1/8 to 4¢ a bushel. The sharpest break was in October wheat, as notice is being taken of the fact that new crop prospects in the United States are quite favorable, and that probably the coming season we shall be counted among exporting nations again instead of being compelled to import fair-sized quantities, which we did this season.

The crop experts this morning furnished the trade with their estimates on the growing wheat crop from present appearances, and the average indicates a crop of 655 million bu, which would be, if realized 29 million bu more than the combined winter and spring wheat results last year. It is, therefore, quite evident that with anything like a normal spring wheat crop, we might raise this season 250 million bu or more than in 1936. In this connection we are encouraged regarding the spring wheat outlook by a report printed in one of the Minneapolis papers as follows:

> "Northwest drought stricken farmers, encouraged by a winter of heavy snowfall, prepared hopefully today for a spring planting season brightened by ample surface soil moisture. In some sections of the spring wheat territory, snows established a 50-year winter precipitation record, government meteorologists reported. Minneaota, from the agricultural standpoint, enjoyed the wettest winter since 1891; North Dakota's average snow to date was slightly above normal, while South Dakota's top soil should be in good condition for spring planting, federal meteorologists said. For December, January, and February, the average precipitation in Minnesota was 3.86 inches, R. Hovde, federal meteorologist here reported. This compared with a normal average of 2.28. Snowfall in Minnesota, from October to this week's heavy fall, Mr. Hovde said, ranged from 60 to 70 inches."

As somewhat of an offset, however, we have to consider right along that stocks of old wheat in this country will be reduced to abnormally low figures. The visible supply stocks are now 14 million bu less than last season, and according to the crop experts the amount in farmers' hands is about 68 million bu compared with 97 million bu same period a year ago, or 29 million bu less. We have to assume, although no reliable figures can be furnished on this subject, that mill stocks and wheat in all other positions are smaller than normal, because there is no inducement for any processor to carry large stocks into the new crop with futures selling at such a discount. Farmers' stocks must be construed as particularly small at 68 million bu when it is considered that there was a disappearance of 61 million bu since the 1st of January, or in three months; consequently a similar disappearance for the next three months would practically exhaust them, and we have never yet seen a season where this was the case. There are always some farmers in various parts of the country who never sell their last bushel. Also it must be considered that part of the farmers' stocks consists of spring wheat which is needed for seeding, and when this is taken out the amount left for actual flour consumption will be quite insignificant. This situation, which is quite generally

(O V E R)

recognized, gives great relative strength to the May future at times, and thus indirectly influences the July and September futures. However, when May wheat is once out of the way and when the crop actually moves, buyers will have to be found on a large scale. With the quantities the farmers are likely to sell and ship to market on account of the high prices, we think the movement is likely to be proportionately larger than usual, and we may see quite an accumulation of stocks next July and August.

The open interest in May wheat was still almost 52 million bu last night, and is decreasing only very slowly. Both longs and hedgers seem to be rather stubborn.

Primary receipts are rather large --375,000 bu compared with 277,000 bu last week, and only 226,000 a year ago. This we think is another proof, if such were needed, that the crop outlook is rather favorable, and that even those farmers who held onto their raisings of last year think it wise to dispose of whatever is left before they harvest another crop. Shipments, however, were almost as large as receipts --350,000 bu; and when it is taken into consideration that every one of the terminal markets also consumes a great deal which goes out as flour, a further decrease in terminal stocks is in sight next Monday. So far this week stocks at Kansas City have been reduced 393,000 bu and Minneapolis 170,000 bu.

The wheat market showed weakness today during practically the entire session, and rather heavy liquidation took place on part of holders who do not wish to see their paper profits decline still further. At the close May and July wheat showed a loss of 1¢ per bu.

Corn receipts do not seem to be sufficient for the demand, all primaries being 313,000 bu against 459,000 bu in 1936. Shipments exceeded receipts by 17,000 bu. The undertone is very strong, and as long as there are no accumulations, but on the contrary steady declines in the visible supply, we think this cereal is in a rather strong position in spite of the high prices which would generally scare any ordinary trade.

Oats and rye declined in sympathy with their sister cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 2, 1937.

Before our session opened today other commodity markets which started earlier evidenced considerable weakness, cotton, hides and copper all showing a declining tendency. Wall Street stocks were also considerably lower. Advancing or declining tendencies in some articles very frequently have a sentimental effect on all of them--the matter is contagious, and, therefore, a lower wheat market was anticipated; in fact earliest sales could only be made at concessions from the previous day. There are, however, always exceptions to this rule when special conditions exist in any one commodity. This is the case at the present time, as far as corn is concerned, which is in an extremely strong position; and while practically selling at the highest price in recent years, the demand seems insatiable, and today sales from this market alone were reported of over 400,000 bu. With stocks in Chicago of very small proportions, and an open interest in in the May future of over 10 million bu, everything else was ignored and corn futures reached new high levels. This had a tendency to help wheat prices, but in addition the foreign news was also moderately bullish.

Cables were not particularly strong, being unchanged to 1/2¢ per bu higher, but England was bidding again closer to an export price for Canadian wheat. Germany and Italy also were buyers for cargoes, but they are now obtaining their supplies largely from the Danubian countries. There were about 115,000 bu of wheat sold out of Chicago, showing that our millers appreciate the tightness of the old wheat in this country; and with their comparatively small stocks they are compelled to continually replenish same, particularly when flour sales are made in sizable quantities.

Kansas City reported today that during the month of March there were 2,139 cars of flour shipped --the heaviest shipments since October, 1932. It would take over 21/2 million bu grindings of wheat to produce this quantity, and therefore it is not surprising that despite heavier receipts in the Southwest, stocks are continually decreasing. So far during this week the decrease in stocks in Kansas City amounts to 484,000 bu, and stocks in that city have now been reduced to 7,090,000 bu.

This has all occurred despite a tremendously heavy movement in the Southwest, considering the small amount of wheat left in farmers' hands. Evidently farmers are so well satisfied with the new crop outlook that they are willing to reduce their holdings to a minimum. Under these circumstances the wonderful crop outlook, together with further prospects of rain for tomorrow, had no depressing effect on prices, except it stopped an upward movement which otherwise undoubtedly would have taken place.in view of the old crop situation. However as time advances these two futures may have to be entirely separated in traders' minds. We can easily imagine that old crop futures will go out at fancy prices, and then consider it possible if our crop turns out all right and new wheat moves in volume that July and September wheat might look very high when the proper time comes.

In all these calculations, however, it must never be overlooked that the world gold situation is such that we are likely to be living in an inflationary period, and it is difficult to tell what effect this will have on prices finally. Moscow has revealed that the gold reserves of the Soviet Union are now approximately 6,billion 860 million dollars, the second largest in the world, and are only exceeded by those of the United States. This makes total world gold holdings by far the largest ever dreamt of. The surplus still seems to be drifting to this country, and during the month of March 92 million dollars in gold were received here, of which 75 million dollars were sent by Great Britain. It seems that Russia has decided to sell part of her large production of new gold, estimated at the rate of 350 millions annually. This gold is offered in London and is destined to find its way to this country where

(O V E R)

it is exchanged for securities and other real property, Englishmen preferring to own dividend paying stocks rather than sterilized gold. If these movements continue for any length of time, what else can we expect but an appreciation in prices of everything, including labor, compared to gold.

In this connection it was very interesting to note President Roosevelt's remarks at a press conference this morning on the economic situation, and he expressed the opinion that the Administration is seeking to check the government's purchases of durable goods, prices being too high. While everybody fully agrees on this point, the question is : How may we expect prices to decline with the large gold production, devaluation of the dollar, higher prices for labor, etc?

Primary receipts of wheat were larger again today, being 465,000 bu versus only 198,000 bu a year ago; but the demand is sufficiently good so that stocks decrease nevertheless, and we would not be surprised if the decrease in the visible supply on Monday would be very much smaller than it was last year similar period, when it was 1,784,000 bu.

The strength in corn continued until the close, final prices for the May future showing an advance of 4¢ per bu over yesterday, which is the maximum change permitted in one day. This was a great help to wheat, the May and July delivery closing 1 1/4¢ per bu higher.

With the Winnipeg market closing extremely strong, much higher Liverpool cables may be expected, and they are more likely to follow the Winnipeg strength than our more moderate advances. This particularly so as freight rates are also advancing right along. However, should we have good moisture overnight in the Southwest, which is possible, it may be an offsetting factor.

Rye and oats benefited from the strength in the other cereals, closing higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 3, 1937.

The foreign news is still dominating our market entirely, and temporarily little attention is being paid to the very favorable wheat crop outlook in the United States. There were wonderful snows today in both the Dakotas and Minnesota, which is just what was wanted in the spring wheat territory, and ordinarily would have caused a sharp decline on our new crop futures. As time goes on prospects for a normal or above-normal crop are becoming more encouraging. However with the sensational advances again in the Argentine after our market had closed, and a good demand from Europe for the old wheat, the actual situation seems to be considered more than what might happen later on after the new crop once starts to move.

Nevertheless, those who look far ahead should not forget that July and September wheat represent the new-crop situation, and with the high prices it will take an extraordinary demand later on to maintain these values if present prospects are realized. We appreciate, of course, on the other hand, that we are very far away from the time when even the first few cars can come on the market; and there is nothing sure yet that we shall not have crop scares later on, possibly actual damage, but at least for several weeks to come we believe there will be no drought fears such as we experienced for a number of years. The fact is also established that the acreage is a very large one, and after all even average yields per acre are likely to produce an exportable surplus of 200 to 250 million bu of wheat.

There were again fair quantities of Manitoba wheats worked overnight to the United Kingdom and to the Continent; there were also some sales of new crop hard winter wheat reported to Antwerp and Rotterdam. This latter business, however, we do not consider as very important, as it represents nothing but the speculation on both sides. It is much too early to determine what premiums will be when the new crop moves; and furthermore the freight rate situation may be entirely different then from what it is now.

Liverpool cables closed at an advance of 1 7/8 to 3 1/8¢ per bu, the weakest future being the October, which is selling at a discount of 9 1/4¢, confirming our views that the old crop and the new one might be divorced entirely later on.

Primary receipts continue to be large --376,000 bu compared with only 257,000 bu a year ago, but shipments were equally heavy --363,000 bu. Stocks at Kansas City and Minneapolis so far this week show a decrease of 794,000 bu. We, therefore, look for a fair-sized decrease in the visible supply on Monday.

Corn was again very much higher, and was a stimulant to wheat prices at times. We expect a continued decrease in Chicago stocks, which are already small; with this market today receiving only 18 cars, the situation would have to change very materially to furnish sufficient corn for the comfort of the shorts in May. The open interest in new May last night was still 10,199,000 bu. Total primary receipts for this week were 2,149,000 bu versus 3,454,000 bu a year ago. Considering that the price is so very attractive, we can come to no other conclusion than this: namely, the corn is not in the country in large quantities, and whatever is left in farmers' hands will probably be needed for their own purposes. September corn is selling at 16¢ per bu discount, and we do not see how there can be much relief between now and September as the new crop does not come on the market until much later on. In all probability stocks in September will be still smaller at terminal points than they are now. Therefore, we think the price of September corn is not unreasonably high considering everything, and believe the purchase of same might prove to be profitable.

During the session the wheat market hesitated at various times, but never declined to yesterday's closing prices, but toward the end corn developed greater strength than ever, recording new sharp advances, which influenced all other cereals. Therefore rye and oats also gained in value.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 5, 1937.

The visible supply showed a decrease today compared with the previous week of 2,184,000 bu of wheat; 1,182,000 bu of corn; 1,750,000 u of oats; 190,000 bu of rye; and 718,000 bu of barley. A total derease in the five cereals of 6,024,000 bu. Stocks of same since last Monday, or in one week, have been reduced from 78,447,000 bu, or to he extent of 8 1/2 per cent, which is quite extraordinary. The wheat visible supply has been reduced to 31,051,000 bu, compared with 5,417,000 bu a year ago, or 14,366,000 bu less. This has occurred in spite of reasonably heavy primary movement considering the size of the crop, and the small amount which is supposed to be left in farmers' hands, showing that because of the attractive price bins are gradually being cleaned. Should this prove to be the case, we may anticipate a smaller primary movement with steady decreasing stocks, so that finally they may go down to the absolute minimum which is needed for safety, provided, of course, that the new wheat crop does not prove to be an early one.

The old wheat crop situation, as far as domestic supplies and needs are concerned, is very strong. Primary receipts of wheat today were heavy 567,000 bu versus 313,000 a year ago, but the largest receipts were in the Southwest where the demand was sufficiently urgent to keep their cash wheat very strong, and where tables were practically cleaned at premiums of 1/2 to 1¢ per bu higher. Chicago stocks decreased only 94,000 bu for the week. The total in this city is only 4,019,000 bu, which undoubtedly will be very heavily reduced after opening of navigation. Therefore, we do not expect that much will be delivered on May contracts. There is no terminal market nor any other place, in our opinion, which would be likely to ship wheat to this market in large quantities; it will all be needed right where it is at the present time. Omaha has only a very small stock, and it is mostly owned by millers; Kansas City has about 7 million bu, but out of this possibly 1 1/2 million bu is sold already but not yet shipped, and the balance of 5 1/2 million bu is only a very small reserve considering the amount which will be required during the next 2 1/2 to 3 months.

The chief strength at the present time still comes from Europe, where the demand seems to be urgent; and with only moderate world shipments we see no chance of their accumulating stocks such as they desire.

World shipments were 11,852,000 bu against 9,490,000 bu last season same period. Considering that at that time neither Italy nor Germany were heavy buyers, the fact that these countries this year have become very aggressive, there is hardly any more left, if as much, for the other countries which depend entirely on heavy importations for their needs. Fortunately the amount on passage is still quite considerable, being 57 million bu, or about 20 million bu larger than in 1936; but until we come nearer to the period when Europe can depend more upon its own harvest or upon this country, future requirements must be anticipated right along.

The wheat market also derived a great deal of strength today from the continued advances in corn, but yet the rise in price was only very moderate considering all the other conditions, which undoubtedly was due to the wonderful crop prospects existing at the present time. A large part of the southwestern territory was favored again with rains over Sunday, which are extremely beneficial, and a large crop naturally could offset a great deal of the shortage in the carryover, particularly if Europe also should have normal yields on their acreages. Therefore, prices for July and September wheat are still on debatable ground, and the final outcome will depend very largely upon weather conditions from now on.

Great efforts are being made now by the Administration to prevent run-away markets in commodities, and further declines in bond prices.

(O V E R)

Washington news is to the effect that the Treasury will buy United States bonds in the open market. Whether their efforts will be crowned with success, and whether rising prices in commodities,and the cost of living can be stemmed, seems to be very doubtful. Gold still remains the standard for money practically all over the world, but nobody seems to want it at the price which the United States' Treasury is paying. Consequently, it is drifting to this country in tremendous quantities; it is reported that $59,633,000 in gold were engaged in one week, and the amount of sterilized gold in this country is now $350,000,000. This means that the Treasury has to provide funds for the payment of this gold, which increases our debt or reduces cash reserves, and interest will have to be paid on same. While the expense for the present will not be much-- perhaps only $10,000,000 at the end of the year, yet when we know that curtailment of expenditures is needed, any additional expense which is not provided for makes it more difficult to stop borrowing. This inflow of gold not only comes from new mines, but Russia appears to be willing to part with some of its holdings; Japan finds it necessary to ship gold to this country to prevent a further depreciation of the Yen, and England prefers to exchange its gold for our securities.

At the close May wheat showed a decline of 1/4¢ per bu for the day, and July an advance of 5/8¢ per bu. May wheat was comparatively the weakest, which we explain through the fact that the open interest is still almost 51 million bu, and with buyers all having profits, there is a certain amount of liquidation going on, while new speculative purchases are made in the July wheat.

Corn was again the great leader. It seems even these continued higher prices do not attract much corn; Chicago received only 32 cars today. Primaries were only 408,000 bu versus 1,084,000 bu last year. The visible shows a decrease of 1,182,000 bu, and amounts now to 10,784,000 bu. As far as Chicago is concerned, stocks this week actually decreased 20 per cent, and are now down to 2,077,000 bu.

Oats and rye benefited from the strength in the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 6, 1937

The Liverpool market was considerably better than due based on the action of North American markets yesterday. While full advances were not maintained, the close showed a gain for futures of 1 1/8 to 2 1/4¢ per bu. The October delivery advanced the least, and the difference between their May and October wheat is now 13¢ per bu. This reflects the general opinion prevailing, that while the old crop situation is and probably will remain very tight, the picture may change completely when the United States again enters the export column later on.

This is based on the very excellent crop outlook existing at the present time for winter wheat, and also the spring wheat situation is probably the best in a number of years. The heavy snows and rains which occurred at the end of last week will probably give the spring wheat plant a good start. Canada had some very light rains overnight, but more precipitation will be needed right along to obtain the best results.

In the meantime, Spain made purchases again overnight, and Germany seems to be in the market also right along, which makes it rather difficult for the United Kingdom to accumulate any large supplies. During the past week all Continental ports received 6,600,000 bu, of which Italian ports alone had 2,500,000 bu; therefore, leaving for the United Kingdom only 4,100,000 bu, which is their minimum weekly requirement.

Our wheat market no longer seems to be electrified by the strength from abroad, as more attention is being paid to the new crop outlook, and as time goes on this will become more and more the important factor in shaping prices. Should there be some crop scares either here or in Canada, this would change the opinion of those who feel that at the present time July and September wheat are high enough even if the carryover should be reduced to very small proportions, which almost is a certainty.

The European outlook is also reasonably fair and promising. Russia reports that the weather is mild now, and spring seeding is active in many sections; also that the winter crop prospects are mostly satisfactory. The Balkan states also have only minor complaints; and Italy reports improved weather conditions. Prospects in France and Germany at this time are only moderate, but considering the European crops last year were much below normal, the probabilities are still in favor of much better yields than in 1936.

In this country the cash demand is not very urgent, as it seems farmers all over the United States are anxious to clean their bins at these prices. Primary receipts today were quite heavy, being 371,000 bu compared with 172,000 bu a year ago.

The wheat market here was also lacking the stimulant of better corn prices, which have been a great help during the last two weeks. May liquidation has started in greater proportions, and this future was the weakest of all. Under these circumstances, new buying orders were very limited, and at the close the May wheat showed a decline of 1 3/8¢ per bu, and the July 1 1/4¢ per bu compared with yesterday. The open interest in May wheat is decreasing only slowly, and is still almost 50 million bu; therefore, many fluctuations are likely to occur before all contracts are evened up.

Stocks of wheat in public elevators have been reduced but slightly during the past week, but regular contract grades of No. 2 red and No. 2 hard in public elevators are only about one million bu. There is some more wheat which could possibly be used for deliveries, such as No. 1 red and No. 1 hard, as well as spring wheat, but this is all bringing big premiums; and it is not likely that it will be used for this purpose, and undoubtedly could be sold to better advantage to mills.

The corn market, which had been so strong for several weeks, took a tumble all of a sudden and corn was the weakest of all the cereals. This despite the fact that Chicago received only 14 cars and that primary receipts were only 207,000 bu compared with 675,000 bu last year. Furthermore, stocks in public elevators are only 41,000 bu and it is not likely that they can be replenished to any large extent, if the assumption is correct that the amount of corn left in farmers' hands, which would be available above their needs, is extremely small. We think, therefore, that particularly September corn, which is selling at a discount of about 17 to 18¢ under May, is likely to do better after a while.

Oats and rye sympathized with the decline in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 7, 1937.

News today was just the reverse of what it had been right along nd all the overnight information was bearishly construed. London eported lower commodity prices, which broke sharply on all leading nglish exchanges on rumors that President Roosevelt will take action o reduce prices on staples in the United States. Here, as a con-equence, cotton, rubber and hides all declined; stocks in Wall Street ere also considerably lower, and Liverpool futures declined 3 1/2 to 5/8¢ per bu. In addition good rains were reported in parts of the outhwest, which are very beneficial to the crop. There was nothing n sight to counteract these occurrences, and therefore no induce-ents to make new investments in grain. Liquidation started at the pening and continued during the greater part of the session with nterruptions, final prices showing a decline of 1/2¢ per bu. For-unately at times the corn market became very strong, particularly he May delivery, and exerted a strengthening influence on wheat prices.

There is one phase in the situation which has not materially hanged: namely, demand for the actual wheat will continue on a fairly arge scale until Europe starts with its own harvest and can obtain upplies from the United States in larger quantities. Germany is till in the market for fair-sized quantities and the weekly import equirements will continue to be at the rate of close to 12 million bu, hich will be absolutely needed for the present. However, higher rices are bringing out lots of wheat from countries which are willing o take advantage of this situation and sell every bushel that will ot be needed at home. It is estimated that Rumania has possibly 0 million bu left for export; Jugo Slavia 10 million bu; also Hungary nd Bulgaria will be able to ship some wheat; India, which had not been n exporter for a number of years, might supply 30 to 40 million bu. dditional supplies left in Argentina, Autralia and Canada will pre-ent any acute shortage, although all these countries will reduce heir carryovers to a larger extent than they had for five or ten years.

However, we cannot repeat too often that in our judgment the rice of July and September wheat will be largely affected by the ields of the new crop in the United States, and if it should so happen hat the outlook is not only for a normal one, but above that, it ight become the dominating factor. We mention this because our ad-ices from the Southwest are so optimistic that one should be prepared or this contingency, although we fully appreciate that much might appen between now and harvest to alter present excellent prospects.

Primary receipts remain large, 309,000 bu vs. 195,000 bu last ear, and are continued confirmation that the farmer is very pleased ith weather, soil and wheat planting conditions and is willing to ake a chance and sell the remnant of his holdings, feeling convinced hat large yields on a tremendous acreage for the coming year are in ight. The milling demand is still from hand to mouth, but neverthe-ess absolute necessities are great enough to create good shipments very day, and today they were bigger than receipts, amounting to 22,000 bu. This also causes a continued decrease in stocks, amounting o far this week to 187,000 bu at Kansas City and 100,000 bu at inneapolis. As soon as navigation opens we expect an additional de-and in fairly large quantities from Buffalo, and a further depletion f existing small stocks.

(O V E R)

When comparisons are made between our futures and Liverpool, it should not be forgotten that ocean freight rates at the present time are extraordinarily high, and are partly the cause of this wide difference. Roughly speaking, it costs about 25¢ per bu to ship wheat from the Argentine to the Continent, and about 22¢ per bu is being paid for corn shipped to the United States.

Corn receipts continue to be very light, insufficient for the demand, and were it not for the heavy importations which are expected from the Argentine later to supply Chicago concerns, there would be a positive scarcity. Primary receipts were only 171,000 bu against 612,000 bu a year ago, and shipments amounted to 201,000 bu, thus indicating another decrease in the visible supply on Monday. Receipts at Chicago were only 10 cars, and all arrivals are bringing a big premium over the May future. It is difficult to figure out how the May shorts can feel comfortable under these circumstances, and we do not see that there will be much improvement later on in July or September. It is true, the consumptive demand will shift more and more to the imported corn, but yet a certain quantity of the domestic article will be needed; and once stocks in this city are cleaned up it will be difficult to replenish them.

Oats held comparatively strong; stocks are decreasing, but there are plenty of oats here for delivery if holders are desirous of obtaining the cash article. Rye fluctuated more or less with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 8, 1937.

There was a rumor yesterday inWall Street that the U. S. Treasury ontemplates a reduction in the purchase price of gold, which at the resent time is $35.00 per ounce. Those in the grain trade who have ood memories recall that on the day England went off the gold standrd in September, 1931, Liverpool wheat advanced about 10¢ a bu. In his country when devaluation was first feared, wheat gradually adanced from 47 or 48¢ per bu, and how much of the present high price s due to drought and how much to the changed content of the dollar s difficult to tell; but no doubt the monetary change had a great eal to do with it. Therefore, when the rumor spread yesterday in all Street, which was later denied, it became important to the grain rader to size up the situation to see what was likely to happen in he future if revaluation would be likely.

It seems that during the year 1936 the United States purchased oth gold and silver to an amount equal the whole world gold and ilver production. For January and February gold production increased gain 9 per cent over the previous year, and our importations were gain so large during the last three months that there seems to be the ame tendency on part of the United States to take all the gold the orld has to spare. This, of course, cannot continue forever without ringing about great inflation. On the other hand, should we stop these operations there would be tremendous deflation, which is highly ndesirable. In addition the Treasury has made a profit of 2 billion 300 million dollars on the devaluation, which it would have to give up should we go to the full length and return to the old statutory price of the dollar. We also accumulated in the meantime 4 1/2 billion ollars in gold at a high price, on which we would lose another couple of billion dollars. These losses would have to be covered by new government issues, increasing our debt, as in the meantime reserve otes have been issued and Treasury certificates sold to pay for this gold. Deflation of this kind would also bring losses to the American people, reduce profits and bring less income taxes. This would put the budget more than ever out of balance. In this way it would disturb government credit and bring about an inflation of a different ind: namely, lack of confidence in our financial structure. Consequently, an extreme action of this kind seems to us unthinkable. Should we just go a little way and reduce the price of gold, say $2.50 an ounce or so, it would not have any effect whatsoever, and the world would still sell us its output, or nearly all of it.

We are, therefore, confronted with a monetary problem which only the wisest counsel of economists can solve satisfactorily without isrupting the present business outlook. It is difficult for the ayman to guess just what action will finally be taken, but any student of commodity values will have to take it into serious consideration.

In the meantime many commodity markets have been upset, stock prices in Wall Street have been very weak, and it is claimed that foreigners were good sellers. This, of course, was bound to affect wheat sentimentally. In spite of strong cables early only slight advances took place here at the start, but soon sentiment became so bearish that liquidation took place on a large scale. At the close there was a decline of 2 5/8¢ per bu for the May future, and 2 3/8¢ for the July.

Naturally the rains in the Southwest also shared very largely in the cause of the decline. From the best information we can gather the outlook in the winter wheat belt may now be considered as extremely favorable. We think this will probably be confirmed in the Government figures which will be given to the trade tomorrow afternoon; but whatever the estimate will be we think that a further improvement has occurred since the figures were compiled.

(over)

However for the present the very urgent foreign demand must not be entirely overlooked. Liverpool cables closed 7/8¢ per bu lower for the nearby delivery, and an advance of 5/8¢ for the October. It is claimed that sales of Manitoba wheats to the United Kingdom and the Continent might have reached the high figure of 1 million bu. Germany is still in the market, and Poland prohibits all grain exports in order to halt price increases. The heavy Argentine shipments, which are estimated to be 7,348,000 bu this week, were entirely ignored abroad, as there are very few resellers, and it seems the prospective arrivals are already well placed. Black sea ports shipped 488,000 bu, and the Indian wheat movement is starting, clearances being 352,000 bu compared with 112,000 bu the previous week.

The domestic situation remains rather unsatisfactory, Minneapolis flour production for the week ended April 3rd totaled only 94,291 barrels, or 34 per cent of capacity versus 38 per cent last year. This, of course, is all due to the fact that finally consumers expect to obtain their supplies at a very much lower price when the new crop once starts moving, and are now only buying from hand to mouth. Perhaps it is fortunate that this is the case, as old supplies must be sparingly used in order not to cause stringencies.

Primary receipts today were 393,000 bu against 211,000 bu in 1936. So far this week stocks at Kansas City and Minneapolis show a decrease of 368,000 bu, and no doubt there will be another good decrease in the visible supply next Monday.

There was a charter made today for 230,000 bu of wheat to be shipped to Chicago, and as stocks in this city are only 4 million bu, and as no doubt further shipments to Buffalo will follow, local stocks undoubtedly will be reduced to very small proportions. Apparently it has had no effect so far on May wheat, as longs of same are also liquidating, owing to the general weakness in the market. However, the open interest is still 49 million bu, and much might happen either way before expiration of this future.

Corn receipts continue to be very light --183,000 bu compared with 568,000 bu a year ago. Even these small receipts are not all of a domestic sort, and several places are receiving Argentine corn, which is included in the total figures given. This cereal suffered in sympathy with wheat, but held comparatively firm, except toward the close when it was reported that 200,000 bu of corn are coming from Buffalo to Chicago.

Oats and rye also declined, but the oats demand still keeps up at a fair volume, and stocks are decreasing right along.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 9, 1937.

Before our session opened this morning several commodities, such as cotton, rubber and hides were lower again, and Liverpool wheat cables had followed our full decline of yesterday. Furthermore, the French franc made a record low, and broke to the lowest level yet reached since devaluation last September. This weakness in foreign currencies, which also affected sterling exchange a little, caused further declines in Wall Street stocks; and the feeling in wheat also became pessimistic in sympathy with this news. However the lowest prices were recorded at the opening. Shortly afterwards President Roosevelt denied the existence of any plan to change the gold price, which inspired new faith, and possibly sufficient confidence will soon be restored again, so that fears of monetary changes will be relaxed and actual conditions more than nerves will be the dominating influence.

There was quite a recovery in Liverpool quotations from the opening, their futures closing unchanged to 5/8¢ per bu lower.

Foreign purchases were more moderate, and the previous excitement of obtaining large supplies of cash wheat seemed to have subsided for the moment. In any case, foreigners must have provided reasonbly well for their wants, as indicated by the Argentine shipments of about 7 1/2 million bu, together with the Australian clearances of 2 million bu, which assures big world shipments for this week again.

Our own reports about the growing crops continue to be extremely favorable, but we recognize that the Agricultural Department has better source of information than any grain man; therefore would like to have our opinion confirmed when the crop estimate comes out this afternoon. Should it be no disappointment, so that we may reasonably well figure that the winter wheat crop will be somewhere near 650 million bu or more, we think the present prices for July and September wheat are very high. Particularly so for July wheat as no elevator man will wish to fill up storage capacity at a premium; therefore the first movement would be available for filling up holes and whatever the exporters would want.

Primary receipts are still very good, being 350,000 bu today, and while smaller than last week when they were 465,000 bu, this is more wheat than was expected considering the reported small farmers' reserves on March 1st. We are advised, however, that country offerings in the Southwest are commencing to be very light, and any day now there might be a change in this direction. Shipments are keeping up pretty well, being 311,000 bu; so far this week stocks at Kansas City and Minneapolis show a decrease of 487,000 bu. The visible supply last year similar period decreased 1,688,000 bu, and it is quite likely that it will reach that amount next Monday.

It seems to be more difficult to hold advances, steady liquidation is going on right along, particularly in the May wheat, and more attention is being paid to the new crop prospects. While we are still quite a distance away from the actual movement, great events cast their shadows ahead, and every day brings us nearer to the period when we have to anticipate the approaching movement. At the close May wheat was 1/4¢ per bu higher, and the July 1/8¢ per bu higher.

There was less interest shown in corn today, but sometimes there are rapid fluctuations in May corn, which are easily understandable, as last night the open interest in the old corn was over 1 million bu; and in the new, over 8 million bu, with small stocks in store and very light receipts in this city.

May oats showed great independent firmness, stocks are decreasing right along, and yet we are in doubt whether the premium over the deferred futures can be maintained provided stocks in Chicago are not reduced any faster.

There was some liquidation in rye, bringing about comparative weakness.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N / YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 10, 1937

The Government report which was given to the trade yesterday fternoon after the close of the session, estimating the winter wheat rop from present appearances at 656 million bu, was rather a bearish ocument. Of course some of the trade had expected that the figures ould be higher; they probably had in mind that the news during the ast week was exceedingly favorable, but the figures had been compiled efore the 1st of April, and had they been made up today the results robably would have indicated still higher yields.

In analyzing the report for the different states, we find that he figures for Illinois and Indiana are given as 76,200,000 bu com- ared with 66,700,000 bu in 1936, or about 9 1/2 million bu more. This s partidularly important, as the wheat from these states is tributary o Chicago, and as long as the price is attractive, and if we have nor- al weather in July, there might be a tremendous movement, affecting he July wheat more than the September.

Kansas is estimated as yielding about 173 million bu, which is n line with many other experts' figures, but Oklahoma and Texas are stimated to yield only about 83 million bu against 46 million bu last ear. Our own reports indicate that particularly Oklahoma might raise uch more-- possibly 60 million bu versus 46 million bu in the Govern- ent report. We had a letter this morning from Enid, Oklahoma, which eads about as follows: "The crop prospects are just about perfect; n fact, the way most of the people describe it when they are asked bout it, is that it is almost too good to be true. Even the most essimistic say Oklahoma will yield a minimum of 50 million bu, while 0 million bu is conservative at this time." In both 1926 and 1931 klahoma made over 70 million bu on a much smaller acreage. The same arty says that after three short crops he looks for big yields, as he land has had a rest, and the winter and early spring weather has een more favorable than in years. The Texas people also expect a reat deal more than the 37 million bu as estimated by the Government.

The trade was prepared for a very much lower opening. There eemed to be buying orders in the market right at the start, presuma- ly on the supposition that the best news is out of the way now, and ince there can be no pressure on the market for some time, good specu- ative turns could be made on the upside. Some might have been influ- nced also by the very small farmers' reserves, amounting to about 2 million bu, which is about the smallest amount in almost ten years.

When it is considered that the flour production reported to the orthwestern Miller by mills representing about 60 per cent of the otal flour output of the United States, was 5,410,000 barrels during arch, it shows the tremendous consumption which is going on all the ime. It will take 24,340,000 bu of wheat to make that much flour. f we assume that the other 40 per cent of the mills have ground in roportion, it would make the March consumption about 41 million bu of heat. At that rate 123 million bu of wheat would be needed for the emaining three months, to the first of July. This would take every ushel of wheat which is left in farmers' hands, and would reduce tocks in millers' hands, country elevators and the visible supply to ery small proportions.

Foreign news was rather two-sided. Cables were somewhat weaker han due, closing at a decline of 1/8 to 3/4¢ per bu. Rumania pro- ibits wheat exports, which makes it still more difficult for some of he foreign countries to obtain supplies; but on the other hand, ew South Wales has officially increased estimates of the last crop y 9,300,000 bu. Therefore a large surplus for export will be avail- ble from Australia, estimates now claiming that there is a balance eft for export of about 49 million bu.

(OVER)

Primary receipts continue to be quite heavy-- 382,000 bu against 437,000 bu for two days last year. Stocks at Kansas City and Minneapolis show a decrease so far this week of 538,000 bu, indicating a fair-sized decrease in the visible supply on Monday.

May liquidation continues steady, but the general market was strong during most of the session, finally registering an advance of 3/4¢ per bu for the May future, and 1 1/8¢ for the July compared with the previous day.

Weather was generally fair during the past 24 hours, and rainfall was quite inconsequential. However, with sufficient moisture now practically everywhere, dry weather is needed in the Northwest to bring about best results for seeding operations. Canada had moderate precipitation during the first six days of the month; South Manitoba received at places nearly 3/4 inch against none the same time a year ago. Some of the dry areas in southern Saskatchewan were almost as fortunate, with moisture from 1/3 to 1/2 inch at various places. So there is hope that even Canada might not fare as badly as she did the last few seasons.

Corn was very strong again, particularly for the May future, and as long as there is no chance of attracting much contract corn to this market, shorts will remain more nervous than the longs.

Rye showed quick upturns on moderate purchases, and oats registered higher prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 12, 1937.

Since the financial world both here and abroad was disturbed last week over a possible revaluation of the dollar, timid traders have remained more or less concerned about the final outcome of the gold question. However, immediate fears of any danger have greatly subsided; yet the matter was of sufficient importance to penetrate every corner of the globe. The Calcutta exchange was closed for a few days, and in Johannesburg, South Africa, mining shares took a tumble, from which they recovered. In the meantime, between last Monday and Thursday, in about three days, British shipments of gold to the United States amounted to 53 million 800 thousand dollars; so that it is possible that during this month importations will be even greater than they were during the month of March, when they amounted to 154 million dollars, which is tremendous. The outstanding facts remain: namely, there is a great over-production of gold and no large potential buyer for it except the United States. Continued influx of gold into this country finally would become very burdensome, but any revaluation would upset foreign commerce so much and bring about such losses on the gold we already own that certainly this would be only a last resort to correct the situation. Another alternative would be to do nothing and let prices rise in comparison to gold so that eventually gold mining would become less profitable and thus correct the situation. Consequently, there is the choice between deflation and inflation, and the step which will be taken by the Treasury is bound to affect wheat prices also, in sympathy with all other commodities.

The news in general before our session opened was rather discouraging inasmuch as all commodities showed a declining tendency--rubber was considerably lower, so were hides and cotton. The Liverpool market did not respond to our Saturday's advance, and at the close their futures had declined 2 1/8 to 2 1/4¢ per bu. World shipments were extremely large, 13,146,000 bu compared with only 7,876,000 bu last season. However, North America was only a small contributor with 2,004,000 bu versus 3,027,000 bu in 1936 similar week, thus showing that the high prices are bringing out very large quantities from other sources, particularly from the Southern Hemisphere. The amount on passage is still very comfortable --56,608,000 bu against 35,736,000 bu a year ago.

There was some letup in the foreign demand both from the Continent and the United Kingdom; and in view of our favorable crop prospects here we need encouragement and continued demand for the old wheat to create a healthy atmosphere.

Primary receipts remain quite substantial considering the small amount which is supposed to be left in farmers' hands, amounting to 420,000 bu compared with only 376,000 bu last year. The visible supply showed a decrease of 1,163,000 bu, and the total is now somewhat less than 30 million bu, and almost 14 million bu less than similar week in 1936. Chicago stocks actually increased 28,000 bu, and now amount to 4,047,000 bu. However, we presume that the increase in this city is rather accidental, as some wheat is being accumulated for the purpose of shipping it by lake to Buffalo as soon as navigation opens. When that time comes we may look forward to a very large decrease; in fact, it may be sufficient so that there will be comparatively small quantities left which could be delivered on May contracts.

The demand for May wheat was more active, evidently shorts and hedgers become nervous at times, which is quite understandable in view of the fact that the open interest is still almost 49 million bu, and decreased only 35,000 bu last Saturday.

For the first time in perhaps twenty years or more, Iowa has again become an important wheat raiser; the average crop there in

(O V E R)

1928-32 was 6,698,000 bu; last year it was 8,800,000 bu, and this year the Government estimate is for 16,318,000 bu. Considering that there are very few mills in that state the bulk of this wheat will be shipped either to Chicago or to the Northwest according to different locations where freight rates might be more favorable to one or to the other place, but we are inclined to believe that a large part is tributary to Chicago, and may give elevators here a chance thisseason to fill their space. This particularly so as Illinois and Indiana also are likely to raise approximately 10 million bu more than last season. This will become rather important in making carrying charges, as the size of stocks in this city, the biggest trading market in the world, is very influential in this respect. We, therefore, believe that July wheat is comparatively too high with September. Should we have an early and a large crop movement, we consider it quite possible that July wheat might finally sell at a discount. At the close May wheat showed a decline of 2 1/8¢ per bu, and July 2 7/8¢ per bu.

Although corn has a situation all to itself, it could not escape the influence of wheat when prices receded so heavily. There wa another decrease in the visible supply, amounting to 1,054,000 bu against an increase last year of 432,000 bu; total stocks are only 9,710,000 bu, approximately 2 million bu larger than a year ago. In spite of the heavy Argentine importations, we hardly look for increases in corn stocks at terminal points for any length of time, as the imported corn seems to be going into consumption just as fast as it arrives here.

Oats stocks also continue to decrease, this week the reduction being 1,472,000 bu; available stocks are now 20 million bu less than in 1936, and amount to only 16 million bu. Neverthelss a decline in prices also took place. This was also the case with rye, although this market showed a rather firm undertone comparatively.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 13, 1937.

Cables were extremely weak today, Liverpool futures declining 3/8 to 3 7/8¢ per bu; Argentina also sent lower quotations, and when ur session opened, the Winnipeg market followed suit, and during the ast three days had declined at one time almost 8¢ per bu from the igh price. This naturally had its repercussions in this market, and ith steady liquidation during the early hours prices gradually gave ay, but at no time was our market as weak as the others. This may be asily explained: stocks of old wheat are so small, and hedging pres- ure of actual holdings are so limited, that any covering of short heat or new buying has an immediate steadying effect. While everybody ppreciates that the new crop outlook is quite favorable, still the ctual effect of a very much larger crop, which we anticipate later n, is not yet being felt except sentimentally. However the next eight r ten weeks will pass very quickly, and when the movement once starts n earnest the whole picture will change to the extent that outside of hort sellers there will be actual hedges against cash purchases. Such ales will be a weight on the market and will create a balance wheel. y that time operations of individual traders will be of minor impor- ance, and prices will follow more the size of the movement and the ctual demand existing then. Should our guess be correct and that then he movement will be on an enormous scale and much more than can be bsorbed at the time, large stocks will be created at terminal points. edging pressure will likely be on a big scale, and we think a lower evel of prices will then prevail. This, however, is some distance away et, and in the meantime great caution has to be used, and the time lement will have to be taken into consideration. From now until al- ost the end of June stocks will continue to decrease.

Various statements by the Secretary of our Treasury, as well as y Chancellor Chamberlain, in the House of Commons, have given greater onfidence to the people that at the present no reduction in the price f gold is contemplated. Consequently, no deflation; so the great robability still exists that with accumulations of more and more gold n the United States further inflation may be looked for. Stocks in all Street showed considerable strength due partly to this theory, nd it undoubtedly had some strengthening influence also on wheat.

Primary receipts continue to be fair --291,000 bu, although some- hat smaller than last week when they were 371,000 bu, but larger than year ago when they were 163,000 bu.

The foreign demand was considerably less urgent, but it seems hat since Germany and Italy have become less active buyers Spain has ecome more of a factor, and of course with the Civil war going on in hat country production must be handicapped to a large extent. This robably will not only have an immediate effect if Spain continues as larger buyer than ordinarily, but also will extend into the next eason.

The effect of May liquidation was more freely felt, which is uite natural, as the open interest decreased only 711,000 bu yesterday, nd last night was still over 48 million bu. This, despite the fact hat the total amount of No. 2 red and No. 2 hard wheat in public levators is less than one million bu. There is more wheat available hich could be delivered on contract, such as No. 1 red and No. 1 hard, ut this, of course, is premium wheat and undoubtedly can be sold to illers at better prices.

We believe that unless there should be more urgent buying on part f foreigners, or deterioration in crop prospects, the tendency from ow on is likely to be downward. This, particularly so, as the weather as been quite favorable of late in the Northwest, where sufficient ain has fallen to encourage seeding on as large a scale as is possible, ith the high price prevailing.

At the close wheat showed a decline of 1/4¢ per bu for the May uture, and an advance of 1/8¢ per bu for the July.

The corn market was extremely weak; the movement from the country howed a slight increase, although the primary movement is still quite mall, total receipts being 304,000 bu compared with 648,000 bu a year go. The amount of corn in public elevators is down to 7,763 bu. The rade is impressed with the continuation of heavy Argentine importations nto the United States, amounting to over 8 million bu in February. This usiness will keep up as long as our price level remains so high. With he very big discount for September corn, we doubt whether on that basis t will pay to buy more from abroad, and it looks to us as if the eptember corn is selling at too big a discount and has a good chance of ecovering when the prevailing bearish feeling is exhausted.

Oats and rye closed somewhat lower. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 14, 1937.

For some time we have refrained from expressing positive opinions n the future level of wheat prices, but we are now inclined to think hat developments which have taken place of late warrant us to as-umethat in all probability a bearish position on July and September heat is justified. This, with the proviso, of course, that there ill be no exceptional occurrences, just figuring on normal develop-ent of the crop from now on, which means neither extraordinarily ine weather nor severe drought damage such as we had during the last ew years. The fact that the acreage planted was such a large one, hat the amount of winter killing,while above average, was much maller than in recent years is very impressive. Furthermore, there as been a fair amount of moisture in the Southwest which will last for ometime. This makes us rather hopeful as to the final outcome of the rop. Certainly the outlook has not been as good as now for a number f years.

The official crop estimates of winter wheat on April 1st for the ast five years were as follows:

1932 - 491,795,000 bu
1933 - 376,518,000
1934 - 437,963,000
1935 - 465,319,000
1936 - 519,013,000

his compares with 656 million bu now in prospect. So the government ertainly makes estimates way in excess of what they had been recently; lso one-half of the month of April has passed with the outlook still urther improved; therefore, there is reasonable hope that the next overnment report will give us even larger yields. In addition to his there have been fair amounts of moisture in our Northwest, and ome precipitation in Canada overnight, although it was chiefly in lberta. However, as nothing is absolutely perfect, we consider the resent situation as highly satisfactory. In addition, it now seems s if even the old wheat will not be quite as scarce at the end of the eason as was presumed sometime ago.

Canada may have missed her opportunity to some extent; judging rom her present supplies she could ship weekly 4 million bu up to ugust 1st, and still have about 28 million bu remaining, which would e a very fair carryover. However, of late she has been clearing only million bu weekly; the chances are there will be larger quantities eft over on August 1st than the amount mentioned; and with Winnipeg ctober wheat selling at a discount of 18 1/2¢ per bu under their May, his might represent quite a loss to those who are left with any old heat. Prospects for large Canadian exports are also diminishing ather than increasing, as Winnipeg May wheat at present is selling t only 3¢ per bu under Liverpool May wheat, with very high freight ates existing. Exports from Canada to the United States from their Oint of view are also disappointing. They amounted to 27,800,000 bu or our home consumption up to April 3 compared with 26,919,000 bu ast year, so only a trifle more, while it was assumed early in the eason that the latter figure might be exceeded by a large quantity. he fact that Canadian prices had advanced so much more than ours re-uced the demand for their wheat, and the week ending April 3 they mounted to only 196,000 bu. With the readjustment now business might mprove somewhat and importations increase.

Continental buying seems to have ceased for the present, except hat Spain is in the market right along, but whether or not she will e able to obtain the foodstuffs she needs so badly will depend upon hat chances the steamers will take to run the blockade. But in any ase this business will be connected with many difficulties.

(O V E R)

Liverpool futures were rather weak on the old wheat but higher on the October future, which is selling at about 10¢ discount and is a separate proposition.

We believe trading in our market was lighter today, but continued liquidation is taking place in the May future, the open interest declining yesterday 1,374,000 bu, but it is still almost 47 million bu. There was a narrowing tendency today between July and September wheat, which we believe will continue. We can see no reason why July wheat should sell at a premium over September, if we should have normal weather during the month of July, in which case we anticipate very heavy farmers' sales, and an accumulation of stocks in this market. We are not sharing the opinion that Europe will become an excited buyer of United States wheat in July at a premium. Assuming that by that time she will be able to purchase about 4 million bu of wheat in Canada, and 2 or 3 million bu from the Southern Hemisphere, with some from Danubian provinces and sundry countries, her demands for wheat from this side will not be on an extravagant scale. This particularly so if the prospects are favorable for obtaining supplies for less price in August, and with Winnipeg October wheat selling at such an enormous discount under Winnipeg May wheat, they certainly will be well paid for their patience in waiting until the North American crops come on the market in volume.

There were scattered rains in Canada overnight, but mostly confined to Alberta, but the crop outlook almost everywhere in North America is satisfactory --of course, not perfect, but this is never the case.

Primary receipts were fair 255,000 bu and shipments were 306,000 bu, indicating another decrease in the visible supply on Monday. So far Kansas City and Minneapolis reduced their stocks 144,000 bu.

There was not much inducement for new investments in wheat and the market declined considerably for a while, but recovered at the close, final prices for May wheat being 1/4¢ per bu higher, and July 1/2¢ per bu compared with yesterday.

Corn followed the fluctuations in wheat. Primary receipts were a little larger today --333,000 bu, but we believe there is a great deal of imported Argentine corn included in these, as it is moving in all directions now from the seaboard. During the month of February alone importations from Argentina amounted to 8,584,000 bu, and since then owing to the sharp advance in prices, a large business has been consummated.

Oats were independently strong and at times affected the other cereals. Rye also closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 15, 1937.

It appears as if history might repeat itself, and that despite the short crops, no scarcity, not even tightness of old wheat, might develop at the end of the crop year. High prices as a general rule have a tendency to bring out supplies from unlooked for quarters and by permitting stocks to be reduced to very small proportions in anticipation of a larger crop to come, no importers need be fearful any more of being able to acquire supplies, provided they have funds with which to make purchases. It now seems that with prospects of an additional 15 million bu which Australia can furnish above previous estimates, with about 20 million bu from India, which country ordinarily is not much of an exporter but will be tempted to sell on account of the attractive price, and with the Argentine crop probably under-estimated, it is even questionable whether Canada will be able to reduce her carryover to anything like the low figure anticipated sometime ago.

We find that this week's shipments from the Black sea are 1,392,000 bu compared with only 16,000 bu in 1936. Argentine estimated clearances are 5,878,000 bu versus 374,000 bu similar period last season. Australia is offering her wheat at more reasonable prices, and there still remains for export 53 million bu, which would be an average of 1 1/2 million bu weekly until the end of the season. However, she undoubtedly will sell the largest percentage during the next seventeen weeks before North America will be able to compete with her, and her prices appear high compared with Winnipeg October wheat, so it would be good policy to take advantage of the present situation. We, therefore, persist in our belief that the present level of prices might seem very high later on when new pressure from the coming crop will be severely felt.

The Continent seems to be fairly well supplied for the present, at least we would conclude so from the fact that they have been out of the market now for several days in succession, despite the fact that the market is such that they could make purchases to much better advantage. The chief continental importer at the present time is Spain, which is quite natural, as a country involved in a War takes a great deal of manpower out of cultivation, crops are being destroyed and no doubt she will remain a moderate factor, provided her facilities are such that grain steamers can reach her ports. It is reported that she bought two cargoes fromAustralia and two cargoes from Argentina. Nevertheless the Liverpool market was very weak, closing at a decline of 2 3/8¢ per bu.

As far as the domestic situation is concerned, buying on part of millers and consumers continues on a hand to mouth scale, but the absolute needs are such that the weekly flour production of reporting mills for the week ending April 10th was 1,248,172 barrels compared with 1,225,484 last week, and last year for the week ending April 11, 1,136,901 barrels, clearly showing that regardless of the desire not to accumulate stocks, the daily consumption continues to be large; it may just be possible that our domestic situation finally will become stronger than the foreign one, as far as old wheat is concerned.

The new wheat situation we consider an entirely different proposition. There is more precipitation expected in our Northwest, as well as in the Canadian Northwest, and with only the usual complaints from the worst section of the winter wheat belt, the crop outlook remains very promising, and if nothing unforeseen happens, a very large crop of wheat is in sight. Should this materialize, together with tempting prices to the farmer and the growth of combines, which enables our farmers to bring their wheat to market much earlier than formerly, the movement this season might be very large at an early date.

We look for sufficient accumulations in Chicago next July to bring about a carrying charge from July to September and from then on for the balance of the year. If this carrying charge is added to

(O V E R)

the price it finally may be a great handicap to the bull speculator.

Primary receipts today were 266,000 bu, which show some falling off, as last week they amounted to 393,000 bu and last year 312,000 bu. Stocks at Kansas City and Minneapolis so far show a decrease for this week of 278,000 bu. We believe that these decreases will be larger once navigation opens, and we think supplies of wheat for May contracts will be very small when the time for delivery comes.

As the session progressed the Winnipeg market became very weak, their May future declining 5¢ per bu the full permissible limit for a single day's trade. This we think will give us much lower cables again tomorrow, particularly so as cotton, copper, and hides also declined sharply. Foreigners are very much interested in these commodities, and they might become very pessimistic and inaugurate a sit-down strike as far as cash purchases are concerned. This might give us very weak markets, especially as there is also heavy liquidation going on in our May wheat.

At the close May wheat showed a decline of 2 3/4¢ per bu, and July 2 3/8¢ per bu. Corn, oats and rye all sympathised with the decline in wheat and closed lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
N W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 16, 1937.

Great uncertainties exist again in the commercial world both here nd abroad. Most commodities declined today, and it is now being uestioned whether monetary conditions have something to do with the ack of enthusiasm prevailing at the present time as far as values n general are concerned. It is true we have the statement of the resident of the United States and the Secretary of the Treasury that o revaluation of the dollar is contemplated. However, the promise oes not necessarily hold good for an indefinite period, and specula-ors are looking ahead not only for days and weeks but for months and ears. With this in view, while the price of gold is still fixed at 35 an ounce, gold stocks are declining and are very weak, thus show-ng that the mine owners are not quite sure they will always be able o secure such a good price as is obtainable now. This new scare has een caused through the enormous increase in our gold stocks, for the eek amounting to $105,000,000, thereby increasing the inactive gold und to $456,000,000, although this sterilization was started only arly in January or a little more than three months ago. Our total old holdings are now the largest ever in history. There is no one ho can guarantee that gold production the world over will not in-rease more and cause more of this precious metal to be brought to hese shores and finally entail a big loss. In the meantime it com-els the Treasury to raise funds for these purchases. In addition, n account of decreased income taxes and heavy expenditures, govern-ent bonds also have to be supported and require new financing, not o mention anything about our silver purchases which, fortunately, re in much smaller volume, and silver certificates are issued against ame, so no borrowings are needed for that.

Regardless of these conditions the wheat market had lots of roubles of its own. Futures at Liverpool declined 4 to 6 1/4¢ per bu, he sharpest break occurring in the nearby delivery. There was a lack f flour demand, and Broomhall described the market as being generally emoralized with outside longs throwing wheat over at any price, which aused huge stop-loss orders. Quotations for cash wheat were only ominal, and it was difficult to quote accurate prices for parcel lots.

The Buenos Aires market at the opening today, from which it rallied little, had declined about 23¢ per bu from the top prices. The innipeg market was again weaker than ours, and for the time being onfidence in wheat values has been shattered very seriously, from hich it will not be easy to recover immediately. At least, it will equire a new incentive, which is not in sight at the present time. eterioration of the crops in Europe, Canada, or the United States ould change sentiment immediately, but weather predictions by our orecaster, are again very favorable; and if further rains which he redicts for many of the wheat states should materialize overnight, e would not be surprised to see further declines in the market to-orrow.

The sharpest break today occurred in our May future, which is uite natural with conditions as existed today, as the open interest n May last night was still almost 46 million bu compared with only 6 million in July and 28 million bu in September wheat. Therefore, nasmuch as there are more longs in May wheat, and as time for delivery s approaching, liquidation was the heaviest in that month. This does ot necessarily mean that there might not be a reversal after markets ecome more settled; this particularly so as a second cargo of wheat or shipment after opening of navigation was chartered today to take 60,000 bu of wheat out of Chicago, which will reduce our stocks to hat extent, and we believe that the amount of wheat which will finally e left here for delivery on May first will be of very small proportion t is also to be assumed that those farmers who had been such stubborn olders up to the present time, and would not sell their wheat at much igher prices, will be reluctant to throw the small amount still left n their hands on the market now. Therefore a decrease in the primary ovement would be natural. In the meantime our primary receipts were till very fair, being 283,000 bu against 219,000 a year ago, but small-r than last week when they amounted to 350,000 bu.

At the close there was a decline of 5¢ per in the May future, which s the limit permissible in one day, and 4 1/8¢ per bu in the July.

Corn, oats and rye all sympathised with the sister cereal and losed considerably lower.

With the sharp break experienced now in corn, it is only natural o assume that importations of Argentine corn will decrease; and if so, eptember corn looks reasonably attractive to us; it is selling at uch a big discount and is still an old-crop future.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 17, 1937.

The Liverpool wheat market again declined sharply, their various futures closed 2 1/2 to 3 3/4¢ per bu lower than the day before. The weakest future was the May, price of which is now $1.32 per bu, actually 1¢ lower than Winnipeg May wheat. Considering that Ocean freight rates are extremely high at present, it is evident that a large shipping business from Canada to Europe is not in sight. It had been known for quite a while that the Winnipeg market was comparatively too high, in consequence of which total wheat and flour exports during the month of March amounted to only 9,306,000 bu; and despite offerings being very much lower now the price differences have not yet been adjusted. Canada still has a large balance remaining for export, estimated, as of April 14th, at 93,679,000 bu. Of course, if clearances would be no heavier than during the month of March, or in about sixteen weeks, about 36 million bu, there would be a carryover of 58 million bu, which is entirely too much considering that the October wheat is selling at such a big discount. Even if clearances would increase to about 4 million bu weekly during the 16 weeks, there would still remain 30 million bu, and we doubt whether such a large business can possibly be effected. This, particularly so, as Australia has about 50 million bu left, and is offering its wheat very freely at the present time.

All this makes it clearer from day to day that Europeans will no longer fear that their needs cannot be easily supplied. If Canada should conclude to meet competition from Australia and Argentine and reduce her prices, it will be difficult for our market to maintain even the moderate recovery which took place today.

It was assumed in view of the foreign situation and the fact that there were lots of selling orders late yesterday in May wheat which could not be filled, the market having declined 5¢ per bu, the limit permissible for one day, that we should have a very weak opening today. However, as often occurs, the market did not immediately act upon the news, and very fair-sized buying orders changed the trend; instead of an early break there was a moderate recovery, and prices held reasonably steady during the greater part of the day, and finally the market became very strong. There was some encouragement for new investors in the weather reports. There had been moisture predicted for the wheat belt, which did not materialize, but instead several dust storms were reported, which immediately caused apprehension that the present fine crop prospects might not be maintained. This all makes it very clear that the influential factor from now on in shaping prices will be weather and crop conditions, and they will have to be watched very closely.

There will be particular growing concern about development of the wheat outlook in Canada, as she will need plenty of rains all during the summer to bring about best results. So far Manitoba is in pretty good condition, precipitation since April 1st, or for only about one-half month, was on an average of .98 inch, compared with 1.05 for the whole month as normal; Saskatchewan makes a very much worse showing, rainfall so far this month being only .21 inch versus .77 inch, and Alberta had very little precipitation, only .08 against .96 on the same basis.

There was extremely heavy liquidation yesterday, the open interest declined 4,713,000 bu, the bulk of which took place in the May delivery, in which the lines had been reduced 4,066,000 bu, and the total now is 41,768,000 bu. We presume that this May liquidation continued today accounting for the comparative weakness. In the meantime the cash business has somewhat improved, and on the declines more wheat had been sold out of Chicago both yesterday and today than for some time. Therefore, it still remains an open question whether or not some of the long interest will insist upon delivery, with the outlook that the quantities available in this city will be extremely small.

Primary receipts today were 248,000 bu, which shows a dropping off compared with 382,000 bu last week and 314,000 bu last year. Stocks at Kansas City decreased 431,000 bu, and we look for a moderate decrease in the visible supply on Monday. However the decreases will not be heavy until navigation opens.

At the close the May wheat showed an advance of 7/8¢ per bu, and the July 1 7/8¢ per bu.

Corn, oats and rye all sympathised with the strength in wheat, and closed considerably higher, particularly the September corn which we consider to be under-valued.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 19, 1937.

Foreign markets, which at times last week were almost demoralized,
versed their action today, and sharp advances took place both at
enos Aires and at Liverpool. Possibly one of the contributing
ctors to the strength in the English market was an Argentine Govern-
nt estimate of the exportable surplus of wheat, placing the amount
only 35 million bu, as compared with 51 million bu at the end of
rch. There was also some short covering influenced by the firmer
rkets in North America last Saturday; and with larger shipments to
e Continent, and the re-entry of Spain into the market Liverpool
ices showed a closing rally ranging from 4 1/2 to 6 1/4¢ per bu.
rld shipments, while smaller than recently, were still quite large
12,404,000 bu against only 6,147,000 bu last year. The amounts of
eat on ocean passage are still large, at practically 55 million bu
rsus only 33 million bu for the similar period a year ago.

We would not be surprised if the various statements made last
ek in Washington that no immediate change in the gold program was
ing contemplated, had a more reassuring effect upon commodity traders.
road. There were slight advances in cotton, rubber, hides, etc.,
ich markets had also been featured previously by sharp slumps. One
n never forget entirely the great inflationary possibilities that
are almost bound to have with a 59-cent dollar. There is no pre-
se historical parallel for the present situation, except that when-
er gold had either been discovered or great increases in mining pro-
ction had taken place in the past, finally advancing commodity
ices had resulted. If one considers, for instance, the increase in
e fine ounces of gold produced from 5.7 millions in 1890 to 22 mil-
ons in 1910; or if one recalls that during the period from 1896 to
10 there was a steady and rather rapid rise in values, it natural-
makes one consider what the possibilities are in this country
rough the enormous imports of the precious metal, which is coming
out because of the high price of $35 per ounce which is being paid
the present time. Of course, even in discussing inflation in its
lation to commodities, one must decide whether $1.22 for July wheat
y not already be regarded as somewhat inflationary; and also whether
l commodities should advance in the same proportion, because ob-
ously if anything is over-produced or is sufficiently abundant it
ght lag as compared to other articles which are comparatively scarce.

The crop news in this country seems to be mostly favorable at the
esent time. Mr. Sloan, who is President of the Katy Railroad, after
king a rather extensive trip, forecasts a bumper crop for the Texas
nhandle, and claimed that not in years have prospects been so bright
r heavy yields as at this period. One of our own men also observed
at 35 million bu for that state is almost assured, and that with
od rains in the panhandle there is a possibility for 50 million bu.
kewise, Oklahoma reports are good, and many people say that prospects
e the best in years. Even Nebraska, where complaints had been
merous, sent a message today that a good deal of wheat which had been
ported dead was coming up in nice shape with the recent warm weather.
feel that one can be quite optimistic as to the future. Of course,
crop ever comes through without some scares, and we are convinced
at this year will not be an exception, although on the whole crop
ospects are more favorable than in a number of years.

Primary receipts continue quite moderate, at 398,000 bu compared
th 472,000 bu last year; the visible supply of wheat showed a de-
ease of 1,147,000 bu, which was not particularly large, but yet total
pplies are down to 28,741,000 bu, or 13 million bu less than a year
o. Chicago stocks decreased 269,000 bu; and it was reported today
at the demand was improved, with 155,000 bu sold to go out. With just
moderate demand we feel that May wheat will again increase its pre-
um over July. Liquidation last week was probably heaviest in the
arby month, and with a correction from a technical point of view, we
uld not be surprised to see the old-crop month do better in relation
July and September, particularly if crop news remains favorable, and
e deferred months become weak at any time.

(O V E R)

Canadian prices reacted sharply, as did our market, and at one time May wheat up there advanced almost 5¢ per bu. It has been reported that possibly as much as 2 million bu of Manitobas were sold, including some purchases made by France; this was very fortunate, because clearances from Canada had not been particularly encouraging, for the week were only 2,590,000 bu, which was less than last year. Likewise, the United States is importing smaller quantities now, with only 187,000 bu having paid duty the past week, and total imports for the season are hardly any larger than they were a year ago.

Canadian weather, if anything, is dry, and while seeding of wheat is progressing, it is claimed that a good deal of moisture will be needed to correct sub-soil deficiency. In any case, there had been crop failures up there for the past three or four years, and since Nature is often provident, it is to be hoped that the usual April and May showers may bring the needed relief.

At times great strength in corn developed and gave the wheat market impetus, although best prices of the day were not maintained, despite encouragement from abroad. At the last May wheat showed an advance of 2 3/4¢ per bu, while July advanced 1 5/8¢ per bu. September was relatively weak owing to spreading operations, local operators feeling that if the crop were in any way delayed that there might be a good demand for the first arrivals. However, it seems very early in the season to entertain such hopes, particularly with the extensive use of combines which bring grains pretty rapidly to market, especially when the price is attractive to the farmer.

The decrease in the visible supply of corn was very large, amounting to 1,655,000 bu; total visible stocks are just a shade larger now than they were a year ago, at 8 million bu. It is true that we are importing quite a bit of Argentine corn, and for the past week it amounted to 650,000 bu. We regard September corn as having merit, as it is selling at big discounts under other months, and of course there can be no arrivals from the next crop until some time in November.

Oats and rye likewise were benefited by the generally improved sentiment. It had been reported that 225,000 bu of Canadian rye was sold to Germany, and this was regarded as quite a bullish factor even in our market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 20, 1937.

Liverpool prices were somewhat reactionary after yesterday's rength, although May wheat closed fractionally higher, while the de-erred months, influenced by the good crop reports from this country, losed 1/4 to 3/4¢ per bu lower.

Broomhall's agent in the Argentine maintains his estimate for the xportable surplus at 151 million bu, on which basis there would only be remaining today 40,500,000 bu of wheat and flour until the next rop. However, there is still a large amount of wheat on ocean passage, nd while the adjustment may be fairly close between now and the time hat our crop comes on the market, we do not believe that any of the uropean nations will be desirous of stocking up with supplies when here is almost a certainty that if the hand-to-mouth policy is pursued hat they will be able to do better by exercising patience.

There had been unexpected rains overnight, and these were rather ide-spread covering territories in Nebraska, Kansas, Texas, and klahoma. The forecast also suggested that a good many sections might e visited with further rains tonight and tomorrow. We believe that lready Oklahoma has been materially benefited, with a good many people laiming that yields may finally be exceptionally good if just average eather is had between now and harvest. Probably the worst state is ebraska, where abandonment will be somewhat larger than was thought arlier, but even in this state there are some good territories, and e have no doubt but that improvement could take place as it is still ery early in the season, as with some moisture and growing weather reat changes often occur the latter part of April and during May.

Despite the good crop news, there were a good many recoveries dur-ng today's session, and we believe that possibly a changed sentiment n the nearby future was the cause for short covering. We have thought or sometime that the adjustment between supply and demand as far as he old-crop situation was concerned entitled May wheat to a certain remium over the new-crop months, particularly with prospects for the inter wheat generally favorable. To what extent, however, this will inally apply depends upon anxiety both on part of farmers, who on the ne hand do not wish to carry too much grain into the next crop, as ompared with consumers on the other hand, who feel that they will ave to carry certain minimum stocks during the month of June. The cale, therefore, is delicately balanced, and we are apt to see a good any changes in May wheat in its relation to July and September be-ause of the fact that nobody can be very sure of the final outcome.

Primary receipts today were only moderate at 266,000 bu versus 40,000 bu last year. So far this week stocks at Kansas City, Duluth, nd Minneapolis show a slight increase of 16,000 bu.

There was nothing particularly new in the economic situation. The resident's budget message was accepted rather calmly both by traders n securities and grains. Apparently there is the desire to postpone ew taxes and tax revision until the next session of Congress. How-ver, one must steadily be reminded that the present gold program re-uires continually more funds, particularly as large amounts of gold re being imported into this country, and the inactive supply which as been sterilized by the Government to prevent too rapid credit xpansion has nearly reached the $500 million mark. There can be no oubt that continuation of such heavy imports creates additional inancing problems for the Treasury, and that likewise support which as been given to treasury issues will tie up certain amounts of money, nd finally we must figure on a good degree of inflation. The gold tore which is being built up now is financed directly from the cash alance of the government, and this on top of current deficit financing s a factor always to be borne in mind.

The May futures in wheat, corn, oats and rye gained on the de-erred months. At the last our May wheat showed an advance of 1 1/2¢ er bu, while July closed fractionally lower. Should more rain de-elop overnight we believe the distant months will encounter more ressure, as it is generally felt that at the present level of prices ew wheat will move in tremendous volume immediately after harvest. orn was very strong; it seems that no reserves can be built up anywhere nd it requires but small orders to boost values. This, in our opinion, hould finally be helpful to September corn, which is ruling at a arge discount under other months, and is still an old-crop position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 21, 1937.

We can hardly remember a time except in war when quotations at Liverpool were as erratic as they have been of late. This, we believe s due to the fact that on the one hand the old-crop situation remains trong, with the adjustment between supply and demand rather close, ut as an offset there is the fine crop prospect in this country, hich is apt to change the entire picture next July.

Despite recent heavy purchases by importers, England has not been articularly aggressive, and up to the present time they have actually aken 1 1/2 million bu less wheat and flour since last August than hey did for the corresponding season of the previous year. Since ugust 1st all European nations have taken 96 million bu more wheat han in 1936, while shipments to ex-Europe were 9 million bu smaller. he increases, of course, were largely due to importers, such as Spain, taly and Germany, where as a result of last summer's drouth conditions arger importations were necessary; and despite monetary difficulties t seems that in one way or another means are generally found when ecessity demands purchases of foodstuffs. It is also true that re- aining stocks in the Argentine are no longer burdensome; and in fact, ave reached a level where shipments are bound to drop off very mate- ially; but yet an increase in the Australian crop estimate of 15 illion bu makes present total exportable stocks 53 million bu. There- ore, we feel, even with the close adjustment at the end of the season hat any actual needs will be fulfilled, as nobody will store away urpluses with the knowledge that when new crop winter wheat from his country starts moving, and later Canadian supplies are available, changed situation will exist.

It is, however, nervousness of this kind which makes for quick wings in the Liverpool market, both up and down; this morning their losing prices showed advances ranging from 2 to 5 1/4¢ per bu, the earby month showing the largest gain, with apparently recognition hat the urgency may be only of a temporary character. It is also a act that Canadian supplies have been largely reduced, and exclusive f stocks either in transit or in farmers' hands, there is in the isible about 73 1/2 million bu of wheat which is a reduction of 24 million bu from quantities which were on hand the corresponding ay last season.

Nevertheless the relationship between Winnipeg and Liverpool rices is such that there cannot be a very large business passing, and t is only spasmodic that Europe comes in for large quantities when pparently fright grips the trade abroad.

Our own visible supply is 13 million bu short of what it was last ear, and this also tends to have its effect domestically as far as ay wheat in Chicago is concerned. The open interest is still very arge at about 38 million bu, and whenever buyers take the initiative nd cover part of their hedges which were previously placed here the earby month advances more rapidly than the new-crop futures. There s some talk that large purchases had been made in Kansas City recent- y, and that this wheat may be headed for Chicago finally for delivery urposes. Even though the carryover at the end of the season will robably be the smallest in ten years, it is likely if crop prospects emain favorable that farmers will be anxious to sell almost the last ushel of wheat; likewise elevator concerns would be reluctant at he present high premium to attempt to carry very much of this year's upplies into the next crop. With that in mind, the action of May heat will depend also upon a very delicate balance between supply and emand, and the distribution of stocks as we get nearer the delivery eriod.

Primary receipts today were 211,000 bu compared with 279,000 bu ast year. Shipments of wheat are very light today, at only 161,000 u. Kansas City stocks showed a decrease so far this week of 90,000 u, but at Duluth there was an increase of 101,000 bu, and we are not

(O V E R)

inclined to look for a very large decrease in the visible supply next Monday.

Showers had occurred over wide-spread territory, and there were indications that there would probably be more moisture in the Northwest tonight and Thursday. So with the optimistic reports coming from many areas there were no periods of sustained strength in the market. There were some highly favorable messages from Oklahoma, where they claimed the crop was in the best condition in several years; and some people even ventured the opinion that the plant could do without additional moisture until the middle of May.

After mid-session there was also a report that charters had been made to bring 2 million bu of grain from Duluth to Chicago; this caused liquidation, and also had a somewhat more bearish effect upon May wheat than the other months. The nearby future at the last showed a decline of 1/4¢ per bu, while July declined 7/8¢.

Corn was strong early, but finally was influenced by the inability of wheat to maintain any important bulges. It was also reported that some corn was being brought from Buffalo to Chicago, and the chances are this will be domestically used by industries.

Oats and rye while firm early also yielded ground when the other cereals declined.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
E YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 22, 1937.

Despite rather heavy shipments from the Argentine, which this
ek are estimated at 6,246,000 bu, also substantial shipments from the
ack sea, which were slightly in excess of a million bu compared with
ly 144,000 bu last year, there was reported a good continental de-
nd this morning, and Germany was inquiring for further quantities,
though details were not available. A great many people have been
ndering how Germany could afford to buy such large quantities of
odstuffs in view of their financial situation, but of course the
nfiscation of foreign held securities from their citizens enabled
em to build up credit outside of Germany, which in turn made it
ssible for a time to import larger quantities than probably would
ve been otherwise purchased. This is a process which may be resort-
to once, but cannot occur a second time.

The nearby future in Liverpool actually closed 1 1/2¢per bu higher,
ile October wheat declined 1/2¢ per bu, and the latter was influenced
the good crop reports from this country and the reluctance of our
rket to hold yesterday's early gain.

Overnight weather was construed as quite favorable. There was no
rther moisture to speak of in the Southwest, and while a few dis-
icts in western Kansas are beginning to complain again, there was
lief afforded in a good many sections of our Northwest, and showers
re also quite general in Canada at most of the reporting stations.
fact, in one or two places the overnight rain had been rather sub-
antial, with the weather map suggesting that further rains might
me again tonight.

This being the case, our market opened only fractionally higher,
en with the strong undertone at Buenos Aires; and the trade seemed
ss inclined to make new purchases, even for May wheat, after it
d been claimed yesterday that heavy charters were made to bring
me grain here from Duluth, as it was assumed that there might be
rger deliveries on May contracts than were expected sometime back.
ound mid-session there was a report that 40,000 bu of wheat was
aded here to be shipped to Montreal for export, and this caused a
urry in May wheat, which was of a temporary character. An actual
alysis showed that this wheat had been sold sometime back when
nnipeg prices were a good deal higher, possibly around the $1.50
vel, and of course there are certain millers abroad who are always
lling to make some sacrifices to obtain hard winter wheat, but we
not think that there is any further business in the offing, so it
ould not be a permanent market factor.

Secretary Wallace stated that much of the New Deal's ambitious
rm program embracing production control, commodity loans and crop
surance would have to be abandoned as a result of the new economy
ogram; but this had little effect upon the market as most traders
lieve that every article finally must sell on its merit, and since
e enormous carryovers from previous years have been largely re-
ced, no artificial stimuli will be needed, even though we are apt
raise very healthy crops.

One of our very well informed friends from Dallas, who had just
vered all of Southwest Oklahoma, said that he did not see one poor
re of wheat on the entire trip, and that in his opinion the wheat
peared better on the whole than it did in 1931, when we raised our
rgest crop. He was particularly optimistic because the plant in all
ctions seems to be in such wonderful shape, and his conclusion was
at Oklahoma should finally raise a very fine crop.

Primary receipts today were 272,000 bu compared with 336,000 bu
st year. The carlot arrivals in the Southwest are becoming very
ght, and we believe that earlier in the season high prices brought
t a good deal of wheat, which would suggest that Kansas City May
eat, which has been narrowing on Chicago, might continue its trend
that direction. So far this week Kansas City, Duluth and
nneapolis show a net decrease of 141,000 bu.

With a good many fine crop reports coming to this market, and great
akness in Winnipeg, it was difficult to hold values, and at the
st May wheat showed a decline of 2 1/8¢ per bu, while July wheat was
7/8¢ per bu lower.

Other grains sympathised with the weakness of the leading cereal.
rn at one time was very strong, but liquidation was quite pronounced,
inging about a lower close.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 23, 1937.

We pointed out recently that fluctuations in Liverpool were extremely erratic, both up and down, owing to the fact that government money in Spain and Germany continues to be used for the purpose of feeding their people, and when this occurs sometimes the price is not as important as when handled by private initiative. Still traders in Liverpool have always been able to figure out situations pretty well for themselves; they know the quantities still left in Canada and Australia.

Furthermore a new factor has come into the picture with shippers in India this morning not only selling competitively, but offering wheat at 3¢ per bu cheaper than from Australia. This had the effect of causing a sharp decline in foreign markets, Liverpool breaking 4 5/8 to 6 1/8¢ per bu.

As long as crop prospects in this country remain satisfactory, foreigners must realize that the time will pass quickly between now and our harvest when the picture will look quite different. The Modern Miller confirms the expressions, which we have been getting from our people in the Southwest, that even allowing for above-normal abandonment of acreage, the area remaining for harvest is expected to be one of the largest on record, and that reports during the past week indicated an improved outlook in sections of the main belt where there is an ample supply of moisture. While writing this letter we are receiving messages from parts of Kansas and Nebraska that rain or snow is falling, and our weather man looks for additional moisture overnight. This may not be heavy, but yet will afford temporary relief where the surface is dry. Our people in the Southwest have made a great number of inquiries amongst well-posted dealers who figure that we will harvest this year in Kansas from 13 to 13 1/2 million acres, and the average estimate runs from 170 to 180 million bu of wheat for that state. Naturally much will depend upon the moisture from now on, but advices from Yuma, Colorado, were to the effect that it was snowing and raining there, and very often Kansas rains develop from that direction. So on the whole the outlook seems quite favorable.

It was reported today that Winnipeg houses were very heavy sellers of May wheat in that market; there was little mention of export business, despite the sharp break. According to Broomhall, a new competitor had made an appearance: namely, Rumania, because due to favorable crop prospects the government had issued export licenses and approved the exportation of 1,850,000 bu of wheat, which would go mostly to Italy and Greece.

Shipments this week from Argentina and Australia were nearly 8 1/2 million bu, which is very large for this time of the year. This must undoubtedly give Canada food for thought as clearances from the latter country are not particularly large, and we figure that in the remaining 15 weeks to August 1st exports would have to average 4 million bu weekly to cut the carryover down to 30 million bu.

Primary receipts today were just moderate, at 282,000 bu compared with 312,000 bu a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 631,000 bu; the largest decrease is at Kansas City, but we understand that a fair part of this wheat is headed for Chicago, and should it arrive here before Monday it will not necessarily mean a total decrease in the visible supply stocks, although we expect a shrinkage on Monday. Whatever figure this is, it would compare with last year's decrease for the similar period of 2,385,000 bu.

While liquidation was going on both here and at Winnipeg nobody paid much attention to inflation news; it may be that the present price already discounts a good deal. Nevertheless, monetary gold stocks

(O V E R)

have increased during the week $40 million, reaching the high record of $11,737,000,000. Some more gold was engaged yesterday, and for the present there is evidently no let-up, so the gold question will remain with us for a long time. It is generally assumed that at this time th Treasury will make no change in the present policy, but will continue to buy gold at $35 per fine ounce. While this continues a good many people ask themselves what commodities, and wheat in particular, shoul be worth at present. However, it must be borne in mind that if the inflow keeps up at this rate, it might affect the whole financial problem of the Treasury, as money has to be borrowed to pay for the gold regardless of whether it is used as a base for issuance of money or whether it is put into an inactive account as at present.

July wheat made a low on the present move, but there was a fairly substantial recovery with shorts seeking cover in all grains. Therefore losses were pared down, and at the close May wheat showed a decline of 2¢ per bu, while July was only 3/8¢ per bu lower.

Seeding of spring wheat has made good progress in the drier sections of the American and Canadian Northwest, although field work is held up by wet soil in the Red river territory. Railroad weather reports show good rains in northern Minnesota and North Dakota, also one or two inches of snow in central Montana. So on the whole there can be no very serious complaints, looking at the picture broadly. A number of isolated areas are unrelieved, but at this season of the yea it is more likely to be wet than dry, and we still believe in the old adage of April showers.

Corn, oats and rye were under pressure early, liquidation by discouraged longs causing weakness at the start, but there were recoverie in all three cereals, with the wheat market regaining some of its loss and September corn finally showed a good gain for the day.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 24, 1937.

Liverpool cables this morning were strong early in sympathy with the Buenos Aires market, which yesterday closed at the highest price of the day. There were also said to be some purchases by Germany of Canadian wheat and rye, but the market gradually eased and closed somewhat reactionary due to the lack of demand for spot wheat in England.

It is now thought that the crop in India will be the largest since 1930, although we do not pay a great deal of attention to it, as exports from that country have not been important in many years, but at the present time the high prices prevailing seem to attract some business.

After the close yesterday the Government issued figures of interior mill and elevator stocks, which were about as expected. They show approximately 10 million bu less wheat than for corresponding period a year ago, and with the visible supply about 14 million bu less and farmers' stocks about 25 million bu less, the total figures will come out about as we had expected right along, with the carryover at the end of the season less than 100 million bu, or the smallest in ten years. This, in itself, would be bullish were it not for the fact that crop prospects are so good, and with the additional moisture which has fallen overnight many optimistic reports are again at hand. Oklahoma City wired us that conditions in that state were about perfect, with plenty of rain so far. The weather is very cool, and this is ideal for crop development, with everybody predicting a big year for business. This is very likely exclusive of the Panhandle district. It is true, some points in Kansas are not nearly as happy about their individual situations, but nevertheless the winter wheat crop still promises big yields.

At times there was fair short covering of lines, but weakness in corn and in the security market finally made itself felt. As far as the stock market is concerned, from best information we can gather we believe that a good many people are worried over monetary policies. The inactive gold stock increased $22,900,000 in one day, and there is now over $528,000,000 in this idle fund, which is the largest so far. The cash balance of the Treasury dropped to the low level of $688,000,000, and it is believed that the amount of weekly short-term bills might be increased even further. As we have stated right along, we feel the Administration is anxious to maintain gold on the present parity; and this policy can no doubt be pursued for quite a time. The general opinion is that revaluation of the dollar, or any reduction in the gold price, would at first mean deflation, because the gold dollar with a higher content would buy more commodities; at the same time this would cause tremendous losses to the Treasury for the high priced gold it owns already, and in turn would mean more borrowing and probably higher interest rates together with decreased taxes. Altogether it would make it difficult to balance the budget, and this again might lead to inflation. Having that in mind we try to analyze what application this would have to wheat, but with the fine prospects this would certainly not be an immediate factor, although in the long run any change in the monetary value is bound to affect all commodities, the value of which is based on gold.

Primary receipts today were 295,000 bu compared with 282,000 bu a year ago. So far this week Kansas City, Duluth and Minneapolis show a total decrease of 1,026,000 bu; the heavy decrease at Kansas City for five days is undoubtedly shifting of stocks, and we think a good part of this wheat will finally find its way into Chicago elevators, and possibly be tendered on May contracts later on. With larger deliveries likely than we had anticipated early we no longer feel that the wide difference of the nearby future over the deferred months can be maintained.

During a comparatively dull session, which featured a fair amount of short covering, the market closed about unchanged for the May and September deliveries, and only 1/8¢ per bu higher for the July.

Corn was under pressure, particularly the nearby month owing to the fact that Argentine arrivals are now being felt here in Chicago. However, September corn held relatively firm, which is only normal on account of the big discount which prevails.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 26, 1937

The financial world is very much disturbed at the moment owing to the many uncertainties existing, of which we think the gold question is by far the most important. Saturday again heavy engagements for shipments of this metal to the United States were consummated. If the deflation of the dollar was supposed to bring about higher prices for everything, naturally revaluation of same would do the opposite. It is quite true that we have the statement of the Secretary of the Treasury that nothing of this kind is contemplated at the present time; but he also answered repeatedly to questions that the monetary policy is only on a twenty-four-hour basis, consequently we are not sure for how long a period the Treasury will continue to pay $35 an ounce for gold. We also remember that when he found it advantageous to stop paying the high price for silver, he did not hesitate to reduce the price. Of course, we are aware that with the silver purchases it was a question of the loss of hundreds of millions of dollars, while with our gold accumulation it might go into the billions. Therefore, the two cases are not identical and a reduction in the price of gold would be so serious in affecting business just now that the matter might be delayed for some time. Then, of course, anything might happen in the meantime. So, whether in the immediate future we shall have inflation or deflation will finally depend upon the next steps taken by the Administration.

In the long run, however, we believe it will mean inflation, because if we continue to buy much gold it means more borrowing to pay for it, and if we take our loss in the high-priced gold we have purchased already it will also mean heavy borrowings to make up for the loss and retire an equal amount of reserve notes. So it is difficult to see how finally inflation can be avoided, but deflation will probably come first, and that is what we are having now. As a result practically every commodity declined today, including wheat. As far as the latter is concerned, of course, a very weak Liverpool cable had a great deal to do with it, but this decline in foreign markets may have been partly the effect of the general situation existing in the United States.

Liverpool cables showed a decline of 4 to 4 1/2¢ per bu on the various futures. World shipments were very large, amounting to 13,243,000 bu compared with only 5,831,000 bu similar period last year, and the amount on passage now is 55,080,000 bu versus 31,232,000 a year ago. There are, however, still some moderately constructive features in the foreign situation, inasmuch as at least the Argentine crop has been very well taken care of, and there ought to be no appreciable pressure from that source after another month or so. There are hardly any resellers for the wheat which is afloat, as Germany and Spain have absorbed very large quantities which is not for sale, but which would be the case if it were owned by speculators. Nevertheless, we do not anticipate any scarcity, as India, with the largest crop since 1930, is likely to ship from 15 to 30 million bu of wheat; and the Danubian provinces are also supplying buyers at the present time at the expense of Canada. This latter country is only furnishing small quantities, although she still has plenty to spare. North American shipments were only 1,922,000 bu, actually less than last year when they amounted to 2,693,000 bu, and Canada has also practically lost her market to the United States, wheat imports for consumption week ended April 17 being only 168,000 bu against 249,000 bu the previous year. The total quantity for the year so far which has been imported is only 28,164,000 bu, actually only one million bu more than in 1936.

Crops in the main are getting along very nicely, and at the present time there are promises of bumper crops in both Oklahoma and Texas. Soil conditions in the Northwest have also greatly improved,

(OVER)

but there are some territories in western and central western Kansas which need rain very badly. We presume if there is no moisture there for any prolonged period there might be moderate crop scares for a while. Also both Saskatchewan and Alberta have insufficient subsoil moisture, and need rain very badly; while Manitoba so far has been very well favored. Therefore there are still some spots which cause apprehension, and while lower prices will likely finally exist, after any further downturn reactions are due.

The visible supply showed a very large decrease, 2,902,000 bu and the total amount has now been reduced to 25,339,000 bu, which is an extremely small quantity with another two months to go yet before there can be any possible increases. Stocks last year were 13,428,000 bu larger, and even then they were not considered overabundant. It must be borne in mind, however, that the large decrease today was partly due to technical conditions. Kansas City decreased over one million bu, the largest part of which has been shipped to Chicago, has not yet been unloaded, and will appear in our stocks next week. There has been quite a little wheat sold to go to store of late, indicating some of the elevators intend to make deliveries, and as possibly not many will be inclined to take delivery, it had a very depressing effect on May wheat, which declined the most. Chicago stocks show a large decrease-- 863,000 bu, reducing the amount of wheat in elevators in this city to 3,115,000 bu, and part of this is not available for delivery as it is either feed wheat or very choice quality which brings a premium. Much will depend upon the quantity which can be brought to this market.

Primary receipts were much the same as last year --564,000 bu versus 584,000 bu in 1936.

At the close the market showed a decline of ~~6~~4-7/8¢ per bu for the May wheat, and 3 1/4¢ for the July.

The corn visible supply showed a decrease of 1,239,000 bu, and stocks are now reduced to 6,816,000 bu. With the wheat weakness corn could not escape declines, although they were not nearly as severe, and it is quite sure that corn will remain a scarce article until another crop is harvested.

The oats visible also decreased,1,689,000 bu, and stocks are now 22,693,000 bu less than they were last season. In view of the fact that there will probably be fair-sized deliveries early in May, this cereal also declined; so did rye.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 27, 1937.

The widespread fear which existed yesterday that we might be in a period of deflation, on account of a possible revaluation of the dollar, subsided considerably today. While this danger of a change in the gold content is and probably will remain with us for a long time, it may be put off for an indefinite period, and in the meantime at least the possibility exists that with greater farm prosperity and higher wages, the general level of prices might rise sufficiently to make the 70 per cent advance in the gold price less out of line. However, uncertainties will continue. The fact remains that gold, having been considered a token of wealth for probably twenty centuries or more, because of its great scarcity, will gradually lose this quality which made it so desirable as a monetary standard, provided gold production continues to remain in excess of the wants for either art or monetary purposes.

In the meantime, the United States has accumulated about as much gold as fifty-two other nations combined, and she remains the heaviest buyer. Furthermore, she is not accumulating it because it is needed as a monetary base or for other objects, but only for the purpose of preventing the upsetting of international trade. It is quite evident that if she would step out of the market, or reduce the price, it would have very undesirable secondary consequences. With some let-up in the engagements of gold for this country, a more hopeful feeling existed as to the immediate situation; commodities were mostly very steady; stocks in Wall Street were higher, and wheat traders also had a change of sentiment.

There was no particular encouragement in the Liverpool cables; that market had shown great weakness early following our yesterday's declines, but as both Spain and Germany were in the market again for cargoes, there was a good recovery which, however, did not quite hold. At the close Liverpool futures had declined 1/2 to 1 3/8¢ per bu compared with the previous day. Both May and July futures at Liverpool must be considered as old-crop futures; the October is selling at $1.22 1/8, or about 7 1/2¢ over our September, which would not be a sufficient premium to enable exporters to do any business at the present time.

The European crop outlook is not considered as particularly promising, but in all likelihood deficiencies may be made up easily provided the United States wheat crop, as well as the Canadian, comes through all right; and then later on, of course, Argentina and Australia will be depended upon to furnish large quantities after the turn of the year.

The most important thing to watch right now is the outcome of the Canadian crop. At the present time there is insufficient moisture in both Saskatchewan and Alberta, but according to weather predictions they might at least have showers by tomorrow; precipitation there is very desirable.

Primary receipts today were 437,000 bu compared with only 235,000 bu a year ago, but included in same was a large quantity shipped to Chicago from other terminal markets. This movement, no doubt, will continue in order to satisfy May shorts or hedgers here to fill their contracts. Chicago stocks at this time are only 3 million bu, and sales are being made out of this market every day, so at present there is no particular burden. Furthermore, the Kansas City market has gained on us so much that eastern millers will be able to obtain their supplies cheaper from Chicago than from the southwestern markets, especially as in the latter places receipts have dropped off very materially, and are not likely to increase from now on. Farmers' holdings in the Southwest must be extremely light.

The situation of old wheat is so closely adjusted that it is almost impossible for anybody to guess whether finally the demand will be sufficient to absorb all the surplus wheat, or whether some of it

(O V E R)

will have to be carried over into the next crop, which nobody would care to do as long as a reasonable premium exists for the old wheat over the new.

At the close the May delivery showed an advance of 2 1/2¢ per bu, and July 2¢ compared with the previous close.

The corn receipts continue to be very light, primaries being 289,000 bu versus 832,000 bu in 1936. There is not a bushel of contract corn in this city in public elevators; therefore, deliveries will not take place, at least early in the month. The open interest in May corn is stillalmost 6 million bu, and it is quite evident that under the circumstances the slightest buying lifts the market very easily. A very strong undertone existed today, and we may look for a continuation of same, as corn is bound to remain a scarce article until another harvest comes on the market.

The situation in oats is somewhat different as there are fair-sized quantities in Chicago, which may be delivered, but at the same time there is a good demand for the cash article. April oats are bringing a big premium, indicating that consumers need them; of course, whether they will all be wanted at the big premium which prevails over July and September is another question.

Rye also was very strong, and the open interest is very large considering the size of stocks here, amounting last night to 3,701,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 28, 1937.

The wheat trader was confronted with a great deal of news today, and it was quite difficult to guess what items would be the more influential in shaping the market. Therefore, there were a great many fluctuations, up and down, during the 3 3/4 hours session. Before our market opened Liverpool cables had been quite strong, but very largely influenced by the upturn which had taken place yesterday in North American markets after their close. On the other hand, however, there were reports, owing to the sharp declines in commodities of late, that there were financial difficulties in both Paris and London; also the stock market in Wall Street showed very sharp recessions, and sufficiently so that they could not be ignored.

Our wheat market consequently opened with a weak undertone and within half an hour made new low records on this movement.

In the meantime, weather conditions also caused some apprehension. While the outlook in the Southwest is still very favorable, the Kansas weekly report claims that during the past week there were frequent dust storms in the western third of the state. It is generally admitted that moisture will be needed over a large part of the territory during the next ten days, or else the outlook will be for deterioration. Present estimates for the Kansas crop are still very high --about 170 million bu, much the same figure as the government gave in the early April report. The possibility also is not excluded that with very propitious weather conditions these yields may be exceeded, but on the other hand if more moisture does not come in time the estimates will have to be reduced. Canada also reports dust storms, and the largest province, Saskatchewan, is lacking subsoil moisture; as Canada is very important in the final shaping of values nobody can be quite sure about estimating what a fair price would be this coming season until the crops are further advanced.

In the meantime, shorts and hedgers in May wheat have also become more concerned, as the open interest is still over 30 million bu; a good demand for choice #2 red wheat and #2 hard wheat is still in evidence. It is true that all terminals where wheat can be brought to Chicago to relieve the situation are being drained of their surplus, in consequence of which outside markets are keeping relatively firm, and Kansas City particularly has gained on us considerably.

The Liverpool market finally became very weak, futures there declining 1 1/8 to 2 1/8¢ per bu. When these figures were received, heavy liquidation took place here, and the lowest prices for the day were established then. There was a good-sized recovery, however, and the close showed an advance of 7/8¢ per bu for the May future and 1/4¢ for the July.

Primary receipts remain light --only 306,000 bu today, in spite of a lot of duplications, wheat being shipped from one terminal market to another. Stocks continue to decrease, so far this week Kansas City reducing its stocks 145,000 bu, and Duluth 43,000 bu.

It is rather difficult at the moment to express very pronounced opinions regarding the immediate trend, as so much will depend upon the weather. In a general way, however, it may be said that if normalcy prevails so that we shall get precipitation from time to time, the outlook is still in favor of a very abundant crop, particularly if our Northwest comes through all right, in which case the present level of prices will probably be a high one once the crop starts moving.

The nearby corn futures are independently strong, and are likely to continue so as long as there are no contract stocks here in public elevators. Primary receipts were only 186,000 bu compared with 728,000 bu similar day last year. However the price for May corn seems to be more attractive now to those farmers who have corn left, and quite a little was booked for Chicago, which if continued would relieve the situation.

Oats and rye were strong and higher, and the great shortage in feeding cereals is being felt right along.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 29, 1937.

Reports of further freight engagements were announced yesterday or $21,603,000 worth of gold from London to New York. This represents bout the largest amount acquired for this purpose in one single day, nd by the time it arrives here it probably will increase the inactive old fund to almost $600,000,000. Evidently there are two classes f people who have no faith that the price of gold in the United States ill permanently remain at $35 an ounce. One class consists of those ho either had hoarded it and are anxious to get rid of it now, or anagers of gold mines now extracting the largest amount before the rice might be changed. Owners of mining stocks also seem to be fearul as in a fairly strong stock market in New York gold stocks showed ery sharp declines.

Inasmuch as the prospective reduction, at least for imported gold, as been partly discounted, and as in the past few years so many ther inflationary measures have been enacted into law, there is no eason to become panicky and assume that commodities, including wheat, ould greatly suffer in price reduction on account of monetary conitions, provided other factors would be favorable. Therefore, we elieve that from now on the price level of wheat will be influenced ore by the outcome of the various crops, both abroad and in North merica, than by anything else.

As far as Europe is concerned, the crop outlook is not particulary flattering, although it should not be forgotten that last year ields were exceptionally poor, and it will not take much to equal those f 1936, or do a little better. However, France is complaining more r less; Germany undoubtedly will remain a buyer until early in August, s their crop is backward; and Russia will be an uncertain factor as lways, but it is reported that subsoil moisture is lacking in the imortant Volga valley.

The most important factor, however, as to the price structure will e yields in the United States and Canada, and later on, of course, he market will be largely affected by the outturn in the Southern emisphere. Speaking very generally, we still believe that the winter heat prospects in the United States are quite favorable, and would ot be surprised if on May 4th when the private experts give their iews, that they will indicate considerably larger yields than they did arlier this month. It is true, there are certain sections in Kansas hich have gone backward, and probably that state will not raise any ore, and possibly less, than the Government estimated in March; but klahoma and Texas are likely to produce 10 to 20 million bu more, and he middle states, such as Illinois, Indiana, and Ohio also will show great deal of improvement.

Regarding Canada, there is great lack of subsoil moisture in the argest province --Saskatchewan--, and so far only about 25 per cent f the wheat has been planted. While there is sufficient time yet to ut in a full acreage, the lack of subsoil moisture has not yet been elieved, and until it is apprehension will continue to prevail.

Our spring wheat territory certainly appears much more encouraging han it has for four or five years, and it is still highly probable that he United States will produce a large exportable surplus this coming eason. If this should be the case, undoubtedly the farmer will be empted by the high price to market his wheat as fast as possible, uness conditions change in the meantime, as he has not been able for a umber of years to realize as much for his wheat early in the season hen yields were as much per acre as is indicated now.

The trade is watching very closely now weather conditions in ansas-- the largest wheat raising state--, and as long as there are no copious rains there, with no pressure from the old wheat, permaent declines are not easy to establish. Should additional moisture, hich is not in sight yet, come in time it would change sentiment ery radically.

(OVER)

The trade today received a great deal of encouragement early from many quarters; therefore, the fact that the market closed lower than yesterday must be considered as rather discouraging to the bull. Liverpool cables closed 3 5/8 to 4 1/4¢ per bu higher; Germany again purchased two cargoes of Argentina wheat. Clearances from the latter country are decreasing very fast now; it is estimated that for this week they will be only 2,719,000 bu compared with 1,145,000 bu a year ago. India also shipped only 104,000 bu, although, according to charters made, much larger exports are expected during May and June. There was a partial offset in heavier Black sea shipments, amounting to 2,368,000 bu versus only 232,000 bu in 1936; but this was expected in view of navigation opening in the Danube. Nevertheless total world shipments next Monday promise to be very light.

At various times the great strength in corn and oats was also a help to wheat, as well as urgent occasional buying of May wheat on part of shorts or hedgers. This is the last day when longs can retain their engagements without exposing themselves to tenders which are likely to be made tomorrow representing cash wheat for delivery. It is anybody's guess how much wheat might be tendered tomorrow, but in no case can the quantity be large because total stocks in public elevators are only very moderate, and part of this wheat is of very choice quality and is likely to be retained. There is also some wheat which is below grade and cannot be applied on May contracts.

The open interest in May wheat last night was still 29,561,000 bu; the reduction which took place yesterday was only 694,000 bu, so that lots of contracts have to be liquidated before next month expires.

Primary receipts continue to be light, and stocks at visible points are decreasing fast, indicating another large decrease in the visible supply on Monday.

Corn, oats and rye continue to be strong, particularly for the nearby delivery, as comparative scarcity of these cereals is making itself felt.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 30, 1937.

Outside news which of late had been very influential in affecting wheat prices was absent today. There was a very much calmer feeling in Wall Street, as well as in the commodity exchanges, so that more attention was paid to the actual wheat news. Cables were stronger than anticipated, Liverpool having paid little notice to the late decline in North American markets, and wheat futures there finally closed 1/8¢ per bu lower to 3/8¢ higher. The fact that Germany purchased again four cargoes of Argentina wheat and Spain about 300,000 bu of Australian wheat was the cause of the firm undertone abroad.

So far on this crop, or since August 1, Europe has taken 102 million bu more wheat than in a similar period in 1936. All this excess was virtually purchased by Germany, Italy and Spain, which countries were very indifferent buyers during the last few years. No one had been able to calculate at any stage just how much their requirements would be, and this is still the case; so whenever these countries appear in the market as buyers in addition to those other countries which are dependent for importations, it has a very constructive effect on prices. Nevertheless, there is nothing is sight to indicate any real scarcity and all the needs will be easily supplied.

As of April 24th Canada still had a surplus for export and carryover of - 88,738,000 bu
Argentina - 37,321,000
Australia - 50,206,000
Total - - - 176,265,000 bu

In addition the Danubian provinces also have fair quantities left, so there will be no particular strain, because in July the United States in all likelihood will be able to ship its new wheat across the ocean. The time for transportation from our shores is so much shorter than from the Southern Hemisphere that importers can well afford to let the amount on passage run down to much smaller proportions than the quantity afloat at the present time.

Primary receipts continue to be very light, and it is becoming daily more apparent that comparatively little of the old wheat will be left over at the time the new crop starts to move. Primaries today were only 310,000 bu, while shipments were 408,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 900,000 bu. Last year similar week the visible supply had decreased 1,598,000 bu, and we would not be surprised to see a heavier decrease next Monday.

Tenders on May contracts were 355,000 bu, which is not considered excessive. If the wheat should prove to be of satisfactory milling quality no doubt it can be marketed to good advantage. All choice wheats are still commanding a good premium over the futures at present.

The crop outlook still continues to be quite satisfactory, but from day to day it will become more necessary for additional moisture, otherwise the present favorable crop prospects may be reduced. There was good precipitation in a good part of the spring wheat belt. While it is too early to make any predictions, prospects for the three Northwestern states are certainly much more encouraging than they were for years, and with normal conditions from now on final yields might be quite satisfactory.

There was no pressure on the market, and toward the latter part of the session shorts became scared as prices advanced, the market finally showing a gain for the day of 3 1/4¢ per bu for both the May and July future.

Corn continues to remain a very scarce article, and advances on the slightest excuse. Rye also is difficult to buy in the country, and shorts do not find it easy to bring sufficient quantities here to relieve the tight situation. Oats did not entirely sympathise with the other cereals, and it is still expected that later in the month heavier deliveries will be made.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 1, 1937.

London reports that the English equalization fund purchased lately gold which has been coming on the market, and raised the price to the quivalent of $35 per ounce, after deducting shipping charges. This vidently was done to prevent a continuation of heavy shipments to the United States. While this is not necessarily a change in policy and does not indicate efforts of permanent stabilization, it was rather an xpedient measure in order to help restore confidence, particularly as Washington evidently does not want to change the gold price at present. However, it is another indication that only artificial measures can maintain the present gold price. Without any interference this commodity, like any other whenever the supply is larger than the demand, would decline in value. At the present time the demand for gold is apparently confined to a limited number of central banks amongst the various nations.

Confidence has been partially restored that for the immediate future commodities will sell on their merit, and will be less affected by fears of monetary changes.

Under these circumstances, wheat could advance moderately, as the news in a general way was somewhat more constructive. Liverpool cables advanced 1 1/8 to 2 1/4¢ per bu. This, however, was largely caused by the advance at Winnipeg yesterday, and by easier sterling exchange. There was an absence of the continental demand for the actual wheat which had been so important of late. It is also recognized that this coming season Spain will be a much heavier importer than usual. It is impossible, as long as the civil war continues, to obtain accurate figures as to the acreage, but it is obvious that when men are at war and when devastation takes place by contending armies that there are a great many hindrances for full acreages. Spain ordinarily consumes about 145 million bu of wheat including seed.

For the present, however, foreign news is not the important factor, but much attention is being paid to developments of our winter and spring wheat crops. It is generally recognized now that the outlook for the winter wheat is still very good, but some deterioration has taken place, and unless there should be rains during the next ten days or so further reduction in the probable yields will have to be reckoned with. The long-time forecast is not particularly favorable, and if it is correct, we do not look for much moisture this coming week. On the other hand, moisture conditions in the spring wheat belt are extremely promising. It is claimed that the Red river valley has experienced the wettest April in thirteen years. During the whole period last year up to the first of July, the rainfall was only 5.51 inches, or practically the same amount which has fallen so far this year. There is much more than an even chance that the spring wheat crop, which was such a failure last year, will be a normal or better one this season, assuming that weather from now on will not be extremely unfavorable.

Primary receipts continue to be light --292,000 bu compared with 365,000 bu last year; stocks at Kansas City, Duluth and Minneapolis so far this week decreased 1,039,000 bu. We expect quite heavy deliveries on May contracts during the month. Some tenders are being made every day now, and it looks to us as if the choice old wheat will remain in good demand, but the line-grade wheat may not be wanted at the big premium over July, and may drag down the level of price for the May.

At the close the May future showed an advance of 3/4¢ per bu, and the July 1/2¢ per bu.

Toward the close corn became very weak, which brought about some liquidation in wheat, and the highest prices obtained early could not be maintained.

There were 90,000 bu of Argentine corn unloaded in Chicago elevators, the first this spring, and had a sentimental effect because it is assumed that this is only the forerunner of much larger quantities to come here. This offsets the light primary receipts, which were only 227,000 bu against 833,000 bu similar period last year. However the trade feels that consumers are confining themselves as much as possible now to the Argentine corn, and even smaller American receipts may not be wanted at the higher price. The feeling exists that corn might have reached its highest limit, and discounted the scarcity of the crop.

Oats varied but little, but rye was somewhat weaker, and in view of the outlook for a much larger crop next year the price seems rather high.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 3, 1937.

There was more rainfall over the week-end period than was expected. Precipitation was quite general over Missouri, Illinois, Iowa, So. Dakota, Nebraska, Minnesota, and Indiana. There were also some light showers in Kansas, where it is badly needed, but the amount was not of sufficient consequence to give much relief. However local showers are predicted now for Kansas, Oklahoma and Texas, and if they materialize would relieve the minds of those who feel that a large wheat crop is desirable for the best interest of the country. The fact that there was no precipitation in Canada, where it is also deficient, still creates many uncertainties as to what the final value of wheat is likely to be.

Everybody is awaiting, as a guide, crop reports from several of the experts who have not yet given out their figures. If they should be anywhere near the estimates of the last Government report they would be considered as very bearish. This, for the reason that the whole United States wheat crop last year was only 626 million bu, and in all likelihood the winter wheat crop this year alone might be considerably larger than that. Furthermore, Canada last year raised only 229 million bu. So the total in 1936 for North America, amounting to 855 million bu might easily be exceeded by the United States alone, and whatever Canada might produce would be in excess of total for all of North America last year.

Under these circumstances, even with the present price of May wheat at the end of such a short crop only 12¢ per bu higher than the July, the possibilities for a much higher level are not very great unless there should be continued deterioration. In fact, it seems much more likely when the movement once starts in July that we shall see a lower level of values. In most years this adjustment does not come until June when it is better known what the crop will be and when more of the hazards have disappeared. The month of May very frequently brings about crop scares which result sometimes in advances which later on cannot be maintained.

Liverpool cables before our session opened were rather strong, but evidently when they were informed of weather conditions here, a decline took place, and final prices were practically unchanged to 1/4¢ per bu higher on the various futures.

The amount of wheat on passage decreased almost 4 million bu, and is now 51,032,000 bu compared with 33,200,000 bu last year. We would not be a bit surprised to see this amount on ocean passage decrease still further, because with futures selling at a discount the tendency of consumers will be to let their stocks run down to the least possible point with confident hope that when the new wheat once moves in volume purchases can be made to much better advantage.

Total world shipments were much lighter than heretofore-- only 10,387,000 bu versus 13,243,000 bu last week, and 9,895,000 bu last year. Canada furnished a larger share this week --2,913,000 bu against 1,921,000 bu a week ago, and 6,291,000 the previous year. We feel that from now on and until United States wheat comes into competition Canada will have an opportunity to sell larger quantities in proportion as Argentina and Australia decline in their clearances.

Primary receipts were 527,000 bu and a year ago they were 521,000 bu, but this is misleading insofar as a great deal of the receipts now are duplicates, many terminal markets having shipped wheat to Chicago to fill May contracts. While the total visible supply decreased 2,567,000 bu, most every point losing part of its stocks, Chicago was an exception and gained 477,000 bu. Total stocks here now are 3,592,000 bu. We think there will be further increases, and it now looks as if before the end of the month there would be plenty of deliveries to satisfy all longs, and possibly enable those who are still short May wheat to switch their position to better advantage. The demand for cash wheat from Chicago is not particularly good,

(OVER)

except for choice wheat, and of course the arrivals here are mostly line grade, and not easy to dispose of at the present time.

The open interest in May wheat contracts is still very large, decreasing Saturday only 1,297,000 bu, and now amounts to 24,139,000 bu. Of course, we appreciate that the total amount of old wheat in this country is smaller than it had been for a number of years.

The visible supply now amounting to 23,272,000 bu is only a littl more than it was on the first of July in 1936; and were it not for the fact that a general tendency exists to let stocks of both wheat and flour run down to the minimum the situation would be extremely tight. As it is we shall probably have a sufficient quantity for carryover in order to avoid any actual stringency.

At the close our wheat market showed a decline of 2 1/8¢ per bu for the May future, and 1 1/2¢for the July compared with Saturday. Much will depend upon the weather now, and a real good soaking rain where needed would undoubtedly cause an extremely bearish feeling.

The corn market was just about steady, receipts are increasing slightly, primaries being 411,000 bu, with shipments of 149,000 bu.

Oats and rye were both lower. There is steady liquidation going on in these cereals, which we think will continue all during the month as long as the nearby future is bringing such a high premium over the deferred ones, and which makes it rather dangerous for thos who might be compelled to pay for large quantities and might find difficulties in marketing same readily.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 4, 1937.

The private experts gave us their individual estimates on the winter wheat crop, the average being 652 million bu compared with the Government's estimate a month ago of 656 million bu. However, as much can happen between now and the time of harvest, either in the way of improvement or deterioration, we pay less attention to these figures than to the fact that according to their estimates of the abandoned acreage there will be about 48 million acres left for harvest. This is a tremendous acreage, and compares with other years as follows:

Year	Harvested Acres
1936	37,608,000
1935	33,402,000
1934	34,638,000
1933	30,272,000
1932	36,056,000
1931	43,332,000
1930	41,069,000
1929	41,194,000
1928	36,853,000
1927	38,195,000

It is evident that on the largest acreage going back to 1927, unless there should be calamitous weather from now on, the crop is bound to be big. In comparison with 1936, with approximately 10 million acres more this year, we could easily raise 130 million bu extra, which if added to 519 million bu raised in 1936, would give us 650 million bu; this actually would be no more per acre than last year. Considering that in 1936 we had a great deal of unfavorable weather after this period, we remain very hopeful that final results will be very much better than indicated at the present time.

The spring wheat acreage is also estimated to be a large one--22,614,000 acres, whereas only about one-half of that quantity, or 11,212,000 acres were harvested the previous year. An average crop should give us 250 million bu. If this is realized total yields in the United States might closely approach 900 million bu, or 200 million bu more than the maximum consumption. It is true, consumption this year had been very great, which was largely due to the extra amount of feeding on account of the high prices for corn, and will likely not be repeated provided feedstuffs are more plentiful this coming Fall.

Estimates on the probable rye production are also very much larger than were anticipated, figures being 43,800,000 bu compared with 25,554,000 bu harvested in 1936.

Inasmuch as the various private estimates contained no surprise figures, they were no factor in the market but the firmness which developed early was largely due to continued strength in the foreign situation and also to the fact that rains in the Southwest had only been very moderate, with not much more in sight, according to the prediction for the next twenty-four hours.

Cables showed an advance of 1 1/4 to 1 5/8¢ per bu. It was also reported that there were various cargo purchases made in Canada overnight, which naturally was a great help to Winnipeg and had its influence on sentiment here. There seems little doubt now that until there is relief from the new European crops and additions to the exporting nations, such as the United States, that the supply and demand situation abroad will be so closely adjusted that no great break there may be looked for. This may all change on the day the United States, after harvest, starts to offer large quantities in competition with the other countries who have had the field all to themselves up

(O V E R)

to the present time. So far the Continent has taken about 60 million bu more wheat than were required in the corresponding period last year, being divided between Spain, Italy and Germany. There is no reason to assume that this extra demand will not continue for some time. However, it is only six weeks away from the beginning of the next harvesting period, and the final results of our yields in this country will remain the dominant factor; Therefore, weather conditions will be more closely watched than ever.

Primary receipts today were 536,000 bu compared with only 268,0 bu last year, but virtually 400,000 bu of this quantity were unloade at Chicago elevators and came from other terminal points, and a larg share of it will be delivered on May contracts. With today's unloadings Chicago has now about 4 million bu of wheat in elevators and it seems quite likely that before the end of the month stocks here will be 5 million bu or more, unless in the meantime a better demand develops so some of it could be marketed to good advantage. We would consider this rather a burden, because it would leave only the month of June for advantageous marketing, and it is seldom that Chicago ca rid herself of that much wheat in one month.

There are also other difficulties at the present time, inasmuch as boats are almost unobtainable except at very high rates, and it would be cheaper to ship all-rail than pay the exorbitant prices whic are now demanded for charters. There seems to be a tremendous demand for boats for other commodities.

There are now regular deliveries daily on May contracts, and this future is gradually losing ground on July. At the close May whe showed a loss of 1 3/4¢ per bu and July 1/2¢ per bu compared with yesterday.

Fortunately the uncertain feeling which had existed in the commercial world of late is gradually subsiding. Gold shipments to this country are on the decrease, and it seems either out of policy or by arrangement, the English stabilization fund is absorbing larger quantities of the daily arrivals of gold in London.

There is nothing sure that this will be permanent. The chief question has not yet been solved. The world produces more gold than is wanted, and this commodity has advanced more than the average of the others. A readjustment will have to take place sometime or another until other commodities and gold are nearer a parity.

Corn was independently strong, largely influenced by the demand for the nearby future, and with the open interest almost 5 million bu, and with no contract corn in public elevators, there can be no comfort for the shorts, unless receipts should materially increase. Today's primaries were 408,000 bu compared with 703,000 bu last year.

There were no special features to the oats and rye markets.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO MAY 5, 1937.

The wheat market today showed more clearly than at any time before that the tail-end of the world's old-wheat crop will become less important as a price factor than new crop conditions. Liverpool had again shown extreme strength before our session opened and foreigners were heavy purchasers of Manitoba wheats overnight. It is claimed that sales of Canadian wheat were estimated at upwards of 2 million bu, with the United Kingdom the best buyer; and there were also sales made to Antwerp, Rotterdam and Scandanavia. This ordinarily would have brought in large speculative purchases in our futures at much advanced prices, but the trade was rather reluctant to make new engagements, and the final advance today was only moderate.

During the session frequent recessions took place. This despite the fact that no rains were reported overnight in the American wheat belt, but the present outlook for wheat yields is still considered quite satisfactory. With May wheat advancing less than July, it is quite evident that no scarcity is expected, at least in the United States, until the new harvest. From then on, unless a calamity should occur in the meantime, we ought to be regular exporters of wheat, the same as we had been for fifty or seventy-five years with the exception of the last three or four seasons. An export business, however, does not necessarily mean higher prices. We have very often seen in the past that the United States could be the most important factor in shaping prices, because at prices which are ranging now the tendency will be for the farmer to realize on his crop as early as possible, and also there will be no great temptation for speculators to accumulate large quantities in anticipation of still further enhancement in values.

When the excitement was the highest in London and all commodities including wheat sold at top prices, some speculative cash sales were made for early shipment from the Gulf, but during the last three or four weeks we have heard of no further transactions, and conclude from this that at the present time we are still out of line. In other words Liverpool could advance still further without affecting our market.

There is a decided dropping off in Argentine clearances, estimated shipments for the week being 1,837,000 bu compared with 2,577,000 bu last week, and no longer very burdensome.

Final wheat cables showed a loss from the early advance, being only 5/8 to 1¢ per bu higher than yesterday, and they were largely influenced by our poor response to their strength.

There were again 420,000 bu of wheat tendered on May contracts but possibly two-thirds of same are re-deliveries, showing that the wheat so far delivered has not landed in strong hands, and that it is desired neither by millers nor speculators and continues to circulate. We also hear of no heavy sales or shipments out of Chicago, and unless an actual demand develops for the cash wheat which has been accumulating here, we look for still greater narrowing between May and July wheat. This also has a tendency to narrow the difference between July and September wheat, and we should not be surprised if finally July wheat would sell at a discount under September, as there may be some wheat left over from the old crop. In addition to this receipts during the month of July in Chicago, weather permitting, ought to be tremendous, as it is very seldom that the farmer has such an opportunity to market his crop when yields per acre were good at a price so satisfactory to him. Furthermore the territory tributary to Chicago: Illinois, Indiana and Iowa, has a particularly promising outlook.

Primary receipts continue to be light. It should be remembered, however, that Chicago receipts are included, and this wheat does not represent farmers' new sales, but is mostly coming from other terminal markets. Total primaries were 324,000 bu compared with 264,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis continue to decrease, and so far for the week have lost 557,000 bu.

At the close the market showed an advance of 3/4¢ per bu for the May wheat and 1 3/8¢ for the July compared with yesterday.

(O V E R)

Corn shows independent strength right along, and so far there seems no relief in sight for the shorts, although bookings for Chica were a little larger today, being 60,000 bu. However, primary receipts are still very light --331,000 bu.

Oats remain neglected, and rye keeps firm, but some deliveries are being made almost daily. We believe if the longs insist upon paying for the rye, there is sufficient in sight so that all contrac can be filled. It will be difficult to market this article in larg quantities, as we are very much out of line for export, and the domestic consumption will likely not be sufficient to absorb it bef another crop comes on the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 6, 1937.

The wheat market acts very tired. It no longer responds to the strong foreign news. Liverpool cables again closed 1 1/8 to 1 7/8¢ per bu higher than yesterday, but even at the opening of our session hardly any attention was paid to them. Deliveries of actual wheat on Liverpool May contracts are very light, demonstrating the scarcity of actual wheat there. New buying power here seems to be very limited, which we presume is due chiefly to a realization of the fact that new wheat is likely to start moving in about six weeks, and that the crop prospects still are favorable for yields of 850 to 900 million bu in the United States, with the price attractive for the farmer to sell when the time comes.

The open interest, while it has been considerably reduced from the high point, is still about 95 million bu compared with about 80 million bu same period last year. Open contracts in May wheat last night were a trifle over 20 million bu, which gradually have to be liquidated either through deliveries or sales; part of it may be changed over to July and September futures, but in all probability there will be a further reduction in open contracts unless some new event occurs which would put fresh life into the trade.

Shipments from the Argentine are decreasing, being only 1,689,000 bu, and India which had been figured on as becoming a more important exporter this year cleared only 8000 bu. Fortunately for the processor and consumer, Black sea shipments are larger now, amounting this week to 2,640,000 bu, compared with only 280,000 bu last year. It seems quite evident that from now on Canada will have to furnish a larger quota, but the large sales which had been effected yesterday appear to have satisfied the trade for a while, and very little new business had been reported overnight.

We wonder if it could have been possible that the German demand had been exaggerated, as according to the official figures that country imported in March only 19,000 tons of wheat, or approximately 700,000 bu. Of course much of the wheat might not have arrived yet, but we have been hearing now for weeks and months about the heavy purchases which had been made by Germany.

The domestic situation reveals no material change. Primary receipts are light --172,000 bu versus 304,000 bu a year ago, and stocks at Kansas City, Duluth and Minneapolis continue to show decreases, the decline in stocks so far this week being 786,000 bu, and probably there will be another decrease in the visible supply on Monday.

Importations from Canada are dropping off considerably, for the week ended April 24th being only 208,000 bu against 317,000 bu in 1936. Total importations up to date are now 28,362,000 bu, only about 600,000 bu more than the previous year. On account of greater scarcity a much larger quantity was supposed to have come to this country.

The great strength in the cash and May corn was a great help to wheat prices at times, but finally prices showed only small variations from yesterday --May wheat closed 1/4¢ per bu higher than yesterday, and July 1/2¢ per bu lower.

Weather conditions are very much mixed. There was no important moisture anywhere in our wheat belt, but there was scattered precipitation at a few places, with the possibility of a continuation, so more showers and some relief may be had during the next 24 hours. Temperatures, however, remain seasonal and cool, which is rather beneficial, and with the exception of the dry districts there are no claims made that the wheat plant is actually suffering at the present time. So we may assume that the good prospects are being maintained. There also was some moisture in the province of Alberta, in Canada, which kept the Winnipeg market in check, where otherwise probably greater strength would have prevailed on account of the foreign cables.

The most interesting feature in the grain markets today was the strength in May corn, which advanced to a new high level, and was selling at practically 5¢ per bu higher than May wheat, which is certainly quite out of the ordinary. This situation has been caused by the extremely small receipts, with no stocks in public elevators. There is still an open interest of 4,561,000 bu, and instead of decreasing yesterday there was actually an increase of 31,000 bu. It is no wonder that shorts are becoming nervous. No relief is in sight as far as heavy offerings from the country are concerned.

Oats remain more or less inactive, which is also the case in rye, but daily deliveries are being made in the latter cereal, and it is expected that enough rye will come to this market to satisfy the shorts.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 7, 1937.

Liverpool cables closed 1/4 to 7/8¢ per bu lower, being influenced by a disappointing flour demand. However, there were no tenders on May contracts there, and pressure from exporters is absent. There was a holiday on the Continent yesterday, which might have somewhat interfered with business. It is claimed that United States' new wheat prices might be in line with Australia and #3 Manitobas for the Continent, although they are considerably too high for any possible business with the United Kingdom on account of the 6¢ per bu duty compared with the colonial wheat. However we have heard of no transaction which have taken place of late. Broomhall claims that it is to be hoped that the United States will produce a good crop with at least 50 million bu for export, as otherwise the international statistical position would become extremely tight. We believe whenever our export business starts that it is most likely the first sales will be made from the Texas and Oklahoma crops, particularly if the present favorable prospects in those states should materialize. Crop reports from Germany up to the present time for both wheat and rye are below average and worse than a year ago. Therefore it is likely that that country with an increasing population will continue to remain an importer during the next twelve months or more.

Australian shipments this week are estimated to be 2,233,000 bu compared with 1,848,000 bu a year ago. Argentine clearances from now on will be very much reduced. It is quite evident that importers for the present can depend on the Danubian provinces for only moderate clearances, and for larger quantities they must draw on Canada, which ought to enable the latter country to reduce her stocks to almost normal proportions.

As far as the United States is concerned, it is estimated that the flour production for the past ten months was practically the same as in 1936, but total consumption of wheat must have been a great deal in excess of the previous season on account of the large amount of animal feeding. This extra consumption by animals no doubt will continue for several months more until new feedstuffs come on the market, but as animals do not require as much in the summer months as they do in the winter, we doubt very much whether next year there will be as much disappearance of wheat as this season.

The weather is still being very closely watched both here and across the border, and this will continue to be the case until we get good soaking rains to relieve the situation. In the meantime the wheat plant is holding its own quite well in most parts of the winter wheat belt, because occasionally there has been slight relief in the way of precipitation. Also the weather has been cool which is very satisfactory for the best development of the plant. The seeding of spring wheat in the American Northwest is nearing completion, and moisture conditions are very much better than in 1936. There is no great amount of reserve moisture, and rains or thunderstorms will be needed right along during the summer months to produce an average crop, or better. In Canada there are still a great many complaints from the province of Saskatchewan, which has the largest acreage, but Alberta has been greatly relieved, and Manitoba is in very fine shape. With Canada being relied upon more than any other country for her large exportable surplus to supply European needs, the final size of her crop will be the most important factor in shaping values of wheat prices later on.

Primary receipts continue to be light --251,000 bu today versus 399,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 1,006,000 bu. There are deliveries being made daily now on May contracts in sizable quantities, but nevertheless the open interest is still very large, amounting to almost 20 million bu.

There were larger sales of wheat today to go out of Chicago, the total being at least 90,000 bu, but still we expect a fair increase in local stocks next Monday.

At the close our May future showed a decline of 2 1/2¢ per bu and the July 1 5/8¢ per bu.

The corn market was somewhat weaker today, and as long as the May delivery remains congested with no stocks in public elevators here, we hardly look for any sharp declines. Primary receipts were 416,000 bu against 692,000 bu a year ago. The oat market was largely influenced by the very heavy deliveries on May contracts, and the other months declined somewhat in sympathy. Rye closed lower, being influenced by the weakness in the other cereals. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 8, 1937.

Liverpool cables closed 2 1/8 to 2 1/4¢ per bu lower than yesterday. The decline there was partly in sympathy with lower prices in North American markets yesterday, but also there was a lack of demand for actual wheat in both United Kingdom and the Continent. There is a great deal of attention being paid at the present time to North American crop prospects, and any improvement or deterioration on this side of the ocean would be reflected at once in foreign quotations. Therefore, the Government report, to be published next Monday, will be awaited with much interest everywhere. Since the figures were compiled,there were frequent showers in some parts of the Southwest but at no time were they general; therefore, the plant in some districts, where moisture has been extremely deficient, could not recover. We think that some of the best precipitation that we have had occurred overnight, many points in Oklahoma and Kansas receiving one-quarter to one-half inch of moisture, although other places were again neglected. Nebraska, however, was favored more, and we consider the long-time weather prediction for the coming week as quite favorable. For the great plains showers are predicted in the South, cooler in the North, and then again showers are predicted for near the close. We consider this cooler weather in the absence of more rain as extremely advantageous. In some places temperatures are as much as 25 degrees lower than last year.

A great many traders believe that the final key to the price situation during the next twelve months will be the size of the Canadian crop. Therefore, the crop report of the Canadian National Railway Co. is very interesting. They expect a slight increase in the acreage over that of a year ago, and they further state as follows:

> "The Manitoba and park belt territories have plenty of surface moisture, but subsoil lacks reserve. Practically all districts except in the heart of the drought area have sufficient moisture to promote germination, but more rain is urgently needed. In the dry territory there has been a dearth of high devastating winds, thus soil-drifting is practically negligible."

It is, therefore, quite evident that it is much too early to make any estimates on the outcome. The weather during the months of June and July, and the amount of moisture, will be all important, and nobody can as yet predict what same will be.

Trade here was rather light, and new developments were very few but the fact that the Winnipeg May rye at one time had advanced 5¢ per bu, the full limit permissible in one day, had a sentimental effect on the other cereals. It is very seldom that Winnipeg rye sells at a premium over ours; in fact for many years we have been importing rye from Canada, and paying a high duty on same. Close attention is again being paid to the short crop of human and animal foodstuffs which were raised thisseason.

Primary receipts were very light --only 238,000 bu compared with 313,000 a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 1,207,000 bu. The visible supply on Monday will probably show a decrease, although we expect an increase in Chicago stocks. Last year similar period the visible decreased 2,940,000 bu, but it will probably be considerably less than that on Monday. There seems to be a slightly better demand for wheat; 37,000 bu were sold out of Chicago, but it will take a better demand than that to offset the deliveries which are made daily on May contracts.

At the close May wheat showed a decline of 7/8¢ per bu, and July 1/8¢ per bu.

The corn market acted rather indifferent, with smaller fluctuations; May oats were slightly unfavorably affected by the very heavy deliveries on May contracts. However, the cash demand remains very good, and large quantities of oats were sold to go out of Chicago.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 10, 1937.

Cables today were rather disappointing. Liverpool wheat futures had declined before our session opened, despite our great strength at the close on Saturday, and while there was some recovery futures there closed at a net decline of 1/8 to 1/4¢ per bu compared with the previous business day.

World shipments are declining and for the past week were 10,195,000 bu, only a trifle larger than last year when they amounted to 9,948,000 bu, and when neither Italy nor Germany were heavy buyers. Practically every exporting country cleared more wheat than last season with the exception of North America, where the shipments amounted to only 2,417,000 bu compared with 6,371,000 bu. We feel that Canada has to exert herself and meet competition more freely if she wishes to reduce her stocks to the low point desirable before another crop comes on the market, and when there will be United States competition in all probability. Of course, there is nothing sure as yet that Canada will have a very large crop, but the acreage is sufficiently big to justify our taking a hopeful view, provided we shall have normal summer weather, with rains from time to time, as is the case in most seasons.

However, it is much too early to come to any conclusions as to the size of the Canadian crop, which is only just about seeded --in fact, they haven't quite even finished with that, but our crop outlook in the United States we believe is quite encouraging. This despite some bad reports from both Kansas and Oklahoma. However the Oklahoma reports came from the driest districts, and our own people are very optimistic regarding the yields in that state, particularly when it is considered that there was a tremendous acreage planted, with only a moderate amount of winter killing. We had a message today from a very reliable Kansas City grain man who just returned from a trip through Kansas, and he is more optimistic than he has been in three years. He claims with good weather we could raise 160 to 200 million bu. He also admits that some sections are in bad shape, but even in territories where damage has already occurred, they could still raise fair crops with good weather. Reports from Nebraska also are much more favorable, and the Federal Crop Statistician of that state said that the rains during the last 24 hours would prove of immense value to the winter wheat crop.

Considering all this, particularly where no moisture had been predicted, the market while it declined acted reasonably strong. It had to contend with a great drop in the price of May corn. Oats also were lower and there were again very heavy deliveries on May oats contracts. Some more wheat was also sold to go to store.

The large decrease in the visible supply was a great help to the price, same amounting to 2,655,000 bu, and there is less wheat now in the visible supply than there was on the first of July a year ago. The total now is only 20,617,000 bu compared with 34,729,000 bu in 1936. We may have to count on decreases for the next seven weeks, and, therefore, must assume that the amount of old wheat available will be reduced to the smallest proportions, and probably the lowest in a long period of years. Chicago stocks increased 401,000 bu, and are now 3,993,000 bu, or practically 20 per cent of the whole visible supply. It is quite evident that by and by if millers want any round lots of cash wheat they will find very few places where they can be obtained outside of this city. The question of course will be whether the tendency to reduce their own holdings to a minimum before the new wheat can be purchased to better advantage will not lessen the demand sufficiently to prevent any great tightness. Primary wheat receipts continue to be light -- 429,000 bu versus 455,000 bu last year.

At the close variations in prices compared with last Saturday were as follows: The May and July futures declined 3/4¢ per bu.

The corn market acted very weak particularly for the May future, as there is corn being brought here from both the Argentine and South Africa, taking the place of the United States corn, so the consumption of same is being greatly reduced. It now appears as if there might be some deliveries on May contracts, before very long. Premiums are steadily declining. Primary receipts today were 908,000 bu against 875,000 bu a year ago, but undoubtedly lots of foreign corn is included in same.

The oats visible decreased again today --1,117,000 bu, and total stocks are now only 10,337,000 bu, or 23 million bu less than in 1936. Some more deliveries were made today, and it seems that the demand is not sufficient to absorb them without further pressure on the price.

Rye is also being brought here from outside quarters to fill May contracts, and with deliveries almost daily it is difficult to maintain the big premium over the July future.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 11, 1937.

After the close of our session yesterday the United States Department of Agriculture forecast a crop of winter wheat a trifle over 654 million bu. This is about 2 million bu less than a month ago, but compares with 519 million bu harvested last year. The chief feature of the report, in our opinion, is the abandonment of acreage of 17.1 per cent, or almost 10 million acres, but it still leaves an acreage of 47,410,000 for harvest. This is the largest acreage since 1919, a post-war year, when the European demand was extraordinarily large on account of the devastated areas in France, and almost depletion of foodstuffs in the enemy countries, such as Germany and former Austria. The acreage is more than 25 per cent larger than the average of the last ten years. Since the report was compiled weather conditions, in our opinion, have improved, particularly during the last two days when extensive rains were received in the panhandle of Texas, Oklahoma, and also Nebraska had been favored with good moisture. There are still some very dry spots in western Kansas, but in that territory a large part of the acreage had been abandoned which is included in the 10 million acres. Therefore the amount of damage that may be done there from now on has been materially reduced. It appears to us as if with normal weather from this time on final yields might turn out to be better than present estimates.

The average yields per acre as indicated by the Government report are not extraordinarily large, figuring about 13.8 bushels per acre. On this basis, the extra 10 million acres left standing over last year would yield about 135 million bu. Were it not for that, the crop would not be any larger than last year's when there was the great drouth, but then great improvement took place in Kansas after this period when timely rains fell. This shows very plainly what possibilities still exist in the way of improvement should the weather from now on be better than normal. However, for the sake of safety, at the present timewe have to base all our calculations on the Government's figures. An average spring wheat crop would add about 240 million bu more to make up the total quantity of wheat as likely to be raised in the United States, or close to 900 million bu. Out of this quantity we shall need 50 million bu to replenish our stocks, as the carryover on July 1st will be extraordinarily small --much less than normal-- possibly not over 90 million bu, and for safety sake and in case of adverse crops in other years, we should have at least 140 million bu. We also assume that our consumption the coming year will be rather high. The amount of feeding for animals will be less, but it might still be considerable for several months until the new corn crop is brought to market. However the per capita consumption in the United States has been decreasing for a great many years and has now reached a point that we consider the probable minimum. Population has increased in the meantime, and with greater prosperity there is more waste, so we might be able to consume close to 700 million bu provided the price would be reasonably cheap.

It is almost inevitable that we shall go to an export basis this year; in all probability we shall find a ready market for at least a part of our surplus, but finally the price level will naturally depend much upon the outcome of the European and Canadian crops.

As far as Europe is concerned, conditions in the Danubian countries are generally favorable, but in other parts of Europe conditions are not quite as satisfactory because of coolness and extensive moisture. However we know that usually in summer time we get hot weather and great changes may take place. This refers particularly to Italy and France, but Germany claims that so far the outlook is for a crop less than average.

Regarding Canada, it is rather early to make any prediction. The acreage is almost as large as a year ago, but while the weather has been very dry in the largest province, Saskatchewan, some rains occurred during the last 24 hours, especially in the central and eastern

(O V E R)

sections. However the southern part has contended with dryness for almost twelve months, but here also they had showers yesterday for about an hour. Much will depend upon the amount of rainfall during the summer months.

Cables were very strong today, Liverpool futures advancing 3/8 to 1 3/4¢ per bu. This was caused by heavy purchases of Australian cargoes on part of Germany; it is claimed that six cargoes were worked.

We, ourselves, are not much influenced now by the outcome of the old crop, but take it for granted that practically all the wheat will probably be wanted. If the United States and Canada together should raise 300 to 400 million bu more wheat than in 1936 the whole picture will change --and this is a possibility.

Continued liquidation of May wheat together with scattered rains in many parts of this country and Canada overnight created a rather bearish feeling, and at the close May wheat had declined 2 7/8¢ per bu and July 1 1/8¢ per bu compared with yesterday.

Great liquidation took place in May corn. Steady importations of the yellow cereal seem to have sufficient effect in reducing the consumption of American corn, so the possibility exists that there will be enough coming to this market to supply May shorts with whatever they want.

Oats and rye were also weaker in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 12, 1937.

With markets closed at both Liverpool and Winnipeg on account of the Coronation festivities, all attention centered today on weather conditions and crop prospects in this country and Canada.

Moisture reports were considered reasonably favorable. There was precipitation in many places, yet we have such a large country that it is very seldom that moisture is received everywhere it is wanted at the same time. Many places are naturally being missed. Of late Texas was the most favored state, and we would say that the situation there has been greatly relieved. A morning paper from Amarillo, Texas, states that in some regions the rainfall was as much as 3 inches, and that Amarillo itself received 1.91 inches for the week. Oklahoma also did very well and it appears to us as if crop prospects there must be improved materially since the last agricultural report came out. There were some fairly heavy rains at a few points in Kansas, but none in the western part where already so much acreage has been abandoned and where it is needed the most. There were also some showers with cooler weather in Minnesota and some in parts of Saskatchewan and Manitoba; but in the main during the week rainfall in Canada was disappointing. A critical situation exists in southwestern and west central Saskatchewan, also parts of Alberta, which section comprises a large part of Canada's best wheat acreage. Manitoba, generally speaking, was well provided for, but it is one of the less important provinces. However, the deficiency might all be made up, provided the weather changes within a reasonable time.

The general impressions early were to the effect that the crop was progressing normally under the circumstances, causing a considerably weaker feeling and a substantial decline compared with yesterday at the immediate opening. Later dust storms were reported from North Dakota and the trade is very sensitive to such news, having the past four years' experience yet in their minds. This, together with very aggressive buying on what were supposedly eastern orders, caused a sharp advance which, however, did not quite hold. At the close May wheat showed a decline of 1/8¢ per bu, and July an advance of 1/2¢ per bu compared with yesterday.

Primary receipts continue to be light, 239,000 bu compared with 262,000 bu last year, and despite a comparatively poor milling demand, stocks are gradually being reduced. So far this week stocks at Kansas City, Duluth and Minneapolis show a decrease of 390,000 bu, indicating another decrease in the visible supply on Monday.

Nobody doubts now that our visible supply on July 1st will be one of the lowest in a number of years, yet if it is just about sufficient to meet all requirements with a slight excess, not many will care to carry any old wheat over into the new crop as long as a reasonable premium exists. According to the government report Illinois and Indiana promise to raise about 11 million bu more wheat this season than last, and these are the states which usually furnish the largest quantities for Chicago. Should this be the case the prospects for filling up the elevators will be much better than they were in 1936, and this in itself would result in carrying charges, possibly even from July to September and then later on to December and May.

We, therefore, still consider that any purchases of wheat should be made in the September future and for sales we prefer the July, feeling convinced in our own minds that there will be no such scarcity in July to justify a premium for that future and that merchants and elevator men could not be induced to fill up their elevators with premium wheat. This particularly so as last year's experience had been rather unfortunate in that direction.

Corn showed a weak undertone during most of the session, but recovered considerably from the low point.

Oats and rye followed the other cereals to a large extent; rye closed 1/4¢ per bu higher than yesterday.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 13, 1937.

The Liverpool market which was closed yesterday on account of the Coronation festivities, sent reasonably strong cables before our session opened, but at their close only the nearby futures May and July had advanced 1/4 to 1 1/8¢ per bu, while the October wheat had declined 1/2¢ per bu. As far as we are concerned in this country, since we are not on an export basis at the present time, the chief interest is in values further ahead. While Liverpool October wheat closed at $1.28 5/8, and is at a considerable premium over our September wheat, yet if consideration is taken of the high freight rates existing at the present it would be impossible to consummate any transactions.

The trade, nevertheless, was impressed with the moderate strength abroad. We believe the weakness in several commodities, and the decline in the stock market prevented any bullish enthusiasm here, although we feel considering the decline in Wall Street stocks that the grain market made a very good showing. It is generally recognized that the weakness in stocks is largely due to great uncertainties in the labor situation, fears of a reaction due to the enormous foreign losses which were sustained in stocks and commodities, and also a possibility of a change in our monetary system if not now, then later on. All this creates a generally pessimistic sentiment, whether justified or not, and the possibility exists that it might be transferred to grains. Our open interest in wheat at the present is not very large, amounting to 92,423,000 bu last night, but we are only a little more than six weeks away from the period when heavier hedging sales will have to be absorbed by new speculative buyers. Stocks of old wheat will be very low when the new crop starts to move, but when the harvest is in full swing it will not take very long before these holes will be filled, and we shall then require export sales to take up the surplus, or else new buyers who are willing to carry the load until later on when the demand catches up. From the prevailing price of July wheat, if there is no radical change later, our past experience leads us to believe there will be a very heavy movement from all over the winter wheat belt. This, of course, may be modified to some extent if present good crop prospects should be materially reduced. However, the season is fairly well advanced now, and with the large acreage which will be left for harvest and the cool weather at this time, the outlook in the main still remains very hopeful.

During the last 24 hours a few light showers occurred in Saskatchewan, North Dakota and Minnesota; eastern Kansas and Oklahoma were also favored with moderate precipitation, but the dry districts continue to suffer from lack of moisture.

There was a fair business transacted again in Manitoba wheats, although the quantity for two days was not particularly large; Germany was again the heaviest buyer. Total export sales to Europe so far on this crop were 103 million bu more than in 1936, and to ex-Europe 9 million bu less. Inasmuch as the largest importer --the United Kingdom-- which takes approximately 40 percent of all European requirements, actually purchased this season 2 3/4 million bu less, it shows that the extraordinary demand all came from countries which were independent last year. Chiefly among these were Italy and Germany; and of course Spain, on account of its war also had been a heavier consumer of imported wheat than usual. It is now expected that India will ship 336,000 bu of wheat next week. It was surmised sometime ago that that country might possibly export 20 million bu this season, and this might be the beginning of heavier clearances later on. As an offset, importations to the United States from Canada are getting down to very low proportions --only 346,000 bu for the week ending May 1; this was the same as last year. Total importations are surprising bein only 28,708,000 bu compared with 28,046,000 bu in 1936 --a much larger quantity had been expected.

Primary receipts of wheat continue to be light --245,000 bu against 367,000 bu a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 717,000 bu, foreshadowing another decrease in the visible supply on Monday. Deliveries were again quite large on May contracts, and the open interest in same last night was still 12,855,000 bu.

At the close May wheat showed a decline of 7/8¢ per bu, and the July 1/2¢ per bu.

Corn receipts remain light, but consumption has gone mostly into the Argentine corn now, and prices receded moderately. Oats were higher on heavy covering. Rye was practically unchanged, in spite of arrivals of over 200,000 bu by lake. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 14, 1937.

Liverpool cables were considered as rather encouraging before our session opened. At the close, however, only their May wheat, practically the spot future, closed 5/8¢ per bu higher, while July and October showed a decline of 1/2¢ per bu compared with yesterday. This reflects the sentiment which is also existing here --that while on account of the great depletion of stocks all over the world, old wheat might command very good prices; when the new-crop comes on the market there might be a great change later on.

The strength in the cash, or old wheat, abroad is easily explained. Germany had been a buyer again for fairly large amounts, and the surplus of the Danubian provinces is very largely being absorbed by the Continent. The latter is also making inroads on the Australian stocks, firming up that market. However clearances from the Southern Hemisphere were somewhat larger: Australia cleared this week 3,054,000 bu versus 2,362,000 bu last year; and Argentine, 2,068,000 bu against 1,132,000 a year ago. In all probability this will not be sufficient to meet the immediate demands, and Canada will be called upon to furnish larger quantities. According to various reports 500,000 to one million bu of Manitoba wheats were worked overnight, strengthening Canadian prices, which in turn had an influence on ours.

Our session opened with a moderate advance, and prices gradually crept up during the session. Whenever this is the case regardless of their opinions, shorts become nervous, and quite heavy covering must have taken place today. There was also further discouragment in the weather map, which was comparatively dry, with warmer temperatures predicted for the Southwest. The rainfall overnight was confined to the eastern areas of Illinois, Indiana and Ohio, elsewhere there was no moisture. The indications are for unsettled weather tonight and Saturday for our Northwest, with probably only light showers. For the Southwest, the prediction is for fair and warmer, except possibly light showers in Nebraska. There is a possibility for showers in Alberta and Saskatchewan, and if these should materialize, and particularly should the latter province be favored with precipitation, it would be very helpful to the crop there, and affect sentiment. Until we get good soaking general rains there will be more or less nervousness, but it should never be forgotten that the crop outlook is still very good in many parts of the winter wheat belt, and prices may look very high when wheat actually moves. We are fully aware that we are still more than 4 weeks away from the time when we shall receive the first threshing returns, and it will take almost six weeks until wheat will move in commercial quantities. However, the time will pass very quickly, and from comparative scarcity we might go toa reasonable plentifulness, at least during the early movement.

We are struck particularly with the fine outlook in three states, which are tributary to Chicago. According to the Government report, Illinois promises to raise a crop of over 42 million bu. This would compare with almost 36 million bu harvested last year, and way above the average. There was a great improvement in prospects during the month of April, and the weather since then has also been very favorable. This would be the second largest crop in Illinois in thirteen years. Iowa has a prospect of over 16 million bu, or almost double that of a year ago, and over twice as much as the 1928-32 average. These states, including Indiana, are tributary to Chicago, and are likely to yield 95 million bu, according to the report. If the price is satisfactory no doubt tremendous quantities will flow to this city, where large amounts will have to be stored until the demand for the excess develops later on.

As far as export business is concerned, we have to bear in mind that Texas and Oklahoma have an outlook for 92 million bu compared with 46 million bu in 1936, and as their wheat comes to market much earlier than in the middle states, and since they are more favorably located for exports on account of cheaper freight rates, the chances

(O V E R)

are that the early demand for export wheat will be largely confined those two states. Therefore, we should not take any moderate reduct in the crop outlook in Kansas too seriously. It is true, it cannot entirely ignored, but part of Kansas is so promising, and with the large acreage which was planted and still left standing for harvest, it is most unlikely that the winter wheat crop will be cut down materially unless, of course, nothing but continued bad weather woul prevail from now on.

Primary receipts continue to be light --254,000 bu versus 438,0 the previous year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 986,000 bu, indicating another good sized decrease in the visible supply on Monday. However we doubt whether it will be anywhere near as large as a year ago, when it amounted to 3,080,000 bu.

At times there was a very active inquiry for May wheat. The op interest in this future is still quite considerable, amounting last night to 11,620,000 bu. However deliveries are reducing it from day to day, and today's tenders were over 600,000 bu.

At the close the wheat market showed an advance of 2 3/8¢ per bu for the May future, and 1 3/8¢ for the July.

Corn, oats and rye also closed higher. Liquidation seems to be over for the time being, stocks in none of these cereals are burdensome, there is no pressure and they respond easily to any new buying

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 15, 1937

There were no cables from abroad today but there was plenty of news from many quarters so that the trade was not at a loss for items to study as to their effect on the price level now and later on. While the futures market at Liverpool is closed today, it was claimed that many grain firms were open for business as usual, showing the intense interest taken at the present time in Europe on account of the scarcity of old wheat and the steady demand. This is also confirmed by the fact that despite the holiday some Manitoba business was worked overnight, but, of course, the volume was small; and undoubtedly the demand will be renewed when the Liverpool trading market opens again.

As far as this country and Canada are concerned, the weather is very closely watched and it was construed as rather unfavorable during the last twenty-four hours, inasmuch as there were no rains in the Southwest and very little in the Northwest. Also Canada was only favored with very light precipitation in Manitoba and Alberta, where the need is not as great as in southern Saskatchewan, the big territory, and no moisture was reported from there. The reports about the Canadian crop outlook are still rather unfavorable. There is about 40 per cent of the planted acreage very badly in need of rain, and unless it comes soon undoubtedly there will be steady deterioration. The situation, however, is not hopeless, as everyone is agreed that so far no actual damage has been reported and anything might happen yet, provided we get good rains in time.

In the United States possibly crops in parts of Kansas are going back, but in other parts the outlook is very promising. We just received a wire from our Kansas City office as follows:

> "Just talked with a party who has traveled through Oklahoma and Texas very extensively, and he says that Texas conditions very fine; has prospect of a good crop without additional rain. Says the same applies to Oklahoma, except that Oklahoma will have to have some more rain as the crop is later. Also traveled through parts of Kansas and says big acreage in Kansas is still in good shape, but will have to have good general rain within ten days. Present cool weather of great benefit."

In this connection it is interesting to review what happened in other years, particularly as there was hardly a season when we did not have crop scares. It is well to remember that the government in its May report already made allowances for possible moderate adverse weather. We herewith give the May estimates for a number of years, with the final results:

YEAR	MAY ESTIMATE	FINAL YIELDS		
1931	653,000,000 bu	821,000,000 bu	or	168,000,000 more
1932	441,000,000	492,000,000	"	51,000,000 "
1933	337,000,000	377,000,000	"	40,000,000 "
1934	461,000,000	438,000,000	"	23,000,000 less
1935	432,000,000	465,000,000	"	33,000,000 more
1936	464,000,000	519,000,000	"	55,000,000 "

This shows that only in one year, 1934, were the final results less, and then only by 23 million bu. This despite the fact that during the four drought years the weather in the main was very unfavorable after this period, although, of course, there were always some spots where there was improvement. Should we draw any conclusion from this, we should have to assume that unless something unforeseen should happen, the final winter wheat yields might be considerably increased from the May estimate of 654 million bu.

We also have the Modern Miller report claiming that the dry

(OVER)

area in Kansas embraces approximately 25 per cent of the acreage reported as remaining for harvest May 1 in that state. This would mea that only about 4 million acres are really dangerously in need of moisture, and it is only a small percentage of the total acreage of over 47 million acres still standing. Any deterioration there could easily be made up, and more, in other parts.

The trade, however, was in a frame of mind when they were lookin ahead to next Monday, and with the predictions so far not indicating any moisture in the Southwest with possibly warmer weather, they were inclined to take the constructive side. As a consequence the wheat market closed higher and May wheat advanced 2 1/8¢ and July 1 1/2¢ a bushel compared with yesterday.

Primary receipts continue to be very light, only 180,000 bu compared with 378,000 bu last year, thus showing that there must be very little wheat left in farmers' hands. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 1,136,000 bu, indicating another good decrease in the visible supply on Monday.

The strength in corn, oats and rye was largely confined to the May futures, all being influenced by the small visible supply and insufficient stocks, so that very small purchases easily affect the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

May 17, 1937

English markets were closed again today on account of a holiday and therefore it is not surprising that not much export business could be traced during the last forty-eight hours. Winnipeg shippers claim there was no export business done over the week-end, but possibly Continental countries may have made purchases elsewhere, although it was difficult to locate them. World shipments were larger than last week and last year, amounting to 12,492,000 bushels versus 8,915,000 bushels the corresponding week in 1936. It is rather encouraging that North America furnished a larger portion this week, 4,738,000 bushels, which amount is as much as last year and almost double of last week when clearances amounted to only 2,417,000 bushels. It has been claimed right along (and we believe this to be correct) that from now on, with diminishing shipments from the Southern Hemisphere, Canada will be compelled to furnish larger amounts. It is not to be supposed that the actual requirements of the importing nations could be reduced considerably as the small stocks everywhere and the heavy demand on part of Italy and Germany will compel importers to continue to be quite aggressive. Fortunately, however, we believe there will be no trouble on part of Canada shipping at least 4 million bushels weekly from now on until the 1st of August and be able to have a very fair carryover and more than will be actually needed. As of May 13th it was estimated there was remaining in that country 82,831,000 bushels for export and carryover. Assuming that there would be this weekly demand during the eleven weeks remaining from that date until August 1st, there would be required 44 million bushels, thus leaving about 38 million bushels for contingencies after August 1st until the new crop would be freely marketed. At that time, and even somewhat before that period, United States could move some wheat abroad in fairly large quantities provided our crops come through all right, which ought to be the case with any kind of normal weather.

It is well to make some comparisons of the price level existing now and that of a year ago. Last Saturday our July wheat closed at $1.18 1/8 compared with 85 3/4¢ in 1936, or an advance of approximately 32¢. At that time Liverpool was 89¢ and closed at $1.38 on the day of their last session, showing an advance of 49¢ per bushel. Therefore the conclusion is that we are much nearer an export basis that we were then, although it must also be considered that freight rates are very much higher and it will require a much larger difference to put us on an active export basis except possibly for some transactions from points situated near the ocean where freights are very favorable. The question arises whether the prospects of much larger crops this year will not partially or totally offset the reduction in the carryover. Using as a basis the last government figures for winter wheat, figuring on normal spring wheat crops in both the United States and Canada, we might easily raise 300 million bushels, possibly 350 million bushels with favorable weather, in excess of the 855 million bushels harvested in all North America in 1936.

Weather reports were rather mixed today and therefore it was difficult for the average trader to take a decisive position either way. On one hand there were some very favorable rains in the Texas Panhandle, as well as some in Alberta, all of which was very desirable. However, the Southwest remains dry and Saskatchewan, which has the largest acreage of the three Provinces, was not so favored and remains very dry with prospects of a reduced acreage as conditions, so far, are anything but promising. Those who were of an optimistic mind took some encouragement in tomorrow's weather prediction for Saskatchewan where showers for many districts are in sight. Should this materialize, and should precipitation be more than slight showers, it would improve Canadian prospects considerably and would have a great sentimental effect both here and in Europe. We presume that this was one of the reasons why Canadian markets were considerably weaker than ours most of the session.

OVER

The chief strength in our market today was derived from the higher prices being paid for all May futures of wheat, corn, oats and rye. As far as the three latter cereals are concerned, it is easily understandable as there is a positive scarcity of foodstuffs with a good demand and it is difficult to accumulate any large supplies. This is partly true also of wheat except that it is already bringing a very high premium over July, and Chicago actually has in store the largest amount of any of the visible points. Stocks here today are 3,911,000 bushels, while Kansas City, the second largest milling center, has only 2,376,000 bu., Minneapolis 3,122,000 bu and Buffalo 1,910,000 bu. The total visible supply is very small, only 13,337,000 bushels and compares with 31,649,000 bu last year or 18,312,000 bu. less. Primary receipts of wheat continue to be light, 522,000 bu., which includes 154,000 bushels in Chicago, mostly shipped from other points and represents no new deliveries on part of farmers. This amount compares with 676,000 bu last year. Open trades decreased 1,900,000 bu on Saturday, and the open interest is now a little over 87 million bushels, showing comparative apathy in wheat speculation. This is quite natural when it is considered that the stock market is almost the dullest any one has seen in recent times and this is always reflected in the volume of grains.

At the close of the market May wheat showed an advance of 1 3/8¢ and July was unchanged.

Corn and oats, as well as rye, were all strong and higher partly in sympathy with wheat, but also the great shortage of these cereals continues to be felt very severely.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 18, 1937

The continuation of an unsatisfactory weather map combined with the tightness of futures in all old-crop cereals gave the market a strong undertone all during the session. Otherwise the uncertainty prevailing at the present time in business circles generally, together with a weakening stock market early and big losses which have been made both in investments and in commodities, would have had a deterring effect on new buyers in grains. As a matter of fact the volume of trade is shrinking, and yesterday the total turnover in wheat was only 25,677,000 bu, and the total volume in all cereals a little less than 39 million bu, which is considerably less than of late.

However, the constant reports that the Kansas crop has gone back materially since the last government report was issued, with further emphasis that rain is badly needed to prevent further damage, made shorts very nervous and induced some investment buying. There is no doubt that weather conditions at the present time in Kansas are unfavorable, and the crop has gone back. We believe, however, that too much stress is laid on that state, and no mention is made of the wonderful crop outlook in the soft winter wheat states, where bumper crops are still a possibility, or in any case more than average promise of yields is in sight on a very large acreage. Also Texas has been favored with good rains of late and the crop there is almost assured, with very good prospects also in Oklahoma. Nebraska has suffered some but not seriously. Altogether we think it is not justifiable to assume a too pessimistic view of the picture as a whole, particularly as one good rain within a week or so in Kansas might still do wonders for the crop. Of course, we appreciate also that there is no guarantee that the dryness will not continue, and therefore nervousness probably will prevail until the drought situation is entirely or partially removed.

Of course, it is also well not to forget that the present price level discounts a good deal of damage and that the crops in the spring wheat territory have a fair promise with normal weather from now on. There were some rains in North Dakota overnight, and in all probability the combined winter and spring wheat crop still will leave us with a large exportable surplus.

Liverpool wheat cables were rather indifferent before our session opened, but they followed the advance here and in Winnipeg before their close, with final prices showing a gain in their futures of 5/8 to 1 3/8¢ per bu compared with their last session on Friday.

The actual demand abroad was less urgent and there was a general pause for the actual wheat due to improved weather conditions in Australia, where a drought had been existing, and which has been temporarily relieved by recent rains.

The May future at different times was extremely strong but occasionally on stop orders sharp reactions took place and comparatively small transactions had a tremendous effect, and fluctuations were very sharp and frequent. At the close the May future showed an advance of 4 1/2¢ per bu compared with yesterday. **

Primary receipts of wheat are still very light, 226,000 bu compared with 647,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 126,000 bu, not as large as of late. Stocks in public elevators in Chicago are now 2,796,000 bu and the total amount available in this city is 3,911,000 bu. However, not all of this wheat is likely to be used for settling up May contracts, as some of it is commanding a good premium

The strength in new-crop futures also kept up to the close, prices practically closing at the top, with an advance in July wheat for the day of 3 3/4¢ per bu compared with yesterday. Continued bad reports, some strength in the stock market and the pessimistic view taken of the Kansas crop all helped to change sentiment.

Corn and oats profited sympathetically with the strength in wheat but advances were mostly confined to the old-crop futures.

Rye was independent and closed at a sharp advance.

** This despite the fact that daily deliveries are taking place in fairly large quantities.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 19, 1937

Liverpool wheat cables were quite strong before our session opened, almost following our advance of yesterday after they had closed. Their futures rose still further and at their close they had shown a gain of 3 1/8 to 3 7/8¢ per bushel. However, the strength abroad is not of the greatest importance just now because it is nothing but a reflection of North American conditions. European importers and consumers are so dependent, at the present time, on Canadian supplies and possibly during July and August on the United States that whether or not they want to they will have to follow our and Winnipeg's lead.

The strength which we had experienced yesterday, therefore, was bound to have its effect there, and was not caused by any special news from abroad or any change in their crop prospects. As soon as weather conditions here change and if prices should go lower, believe Liverpool will take no independent action and will quickly follow suit. It is therefore of more importance to the grain trader to watch events in United States and Canada, as probably the price structure later on will very largely depend upon the outcome of the crops in North - America. Later of course results of yields in the Southern Hemisphere will become more important; but this is a long way off and all that can be said at the moment of the Argentine wheat crop is that the acreage is likely to be increased very heavily and conditions so far are very near normal.

Almost all discussion today centered around the weather, actual and prospective, as reports from Kansas continued to dwell on the necessity of more moisture if further deterioration was to be prevented, and in the meantime estimates for the crop in that state are being reduced. Canada also reported dust storms in some places, but there were a few rains reported; also some from points in Kansas; but from the information we have we should imagine that the total amount of rainfall was not sufficient to allay fears of the shorts, but yet it had a great restraining influence on longs whose turn it now was to become a little nervous. This particularly so as students of the weather map are under the impression that according to all rules of the game a more unsettled condition is likely to develop in both the Southwest and in Canada, which might bring more moisture. We all know the uncertainties of future weather predictions. Nevertheless there are certain signs which work out in many cases and, therefore, to say the least it would not be surprising if tomorrow we should have a very much more favorable weather map.

There is one prediction that can almost be made with certainty: that is, that tomorrow's market will ignore statistics and will depend almost entirely on the amount of rainfall which might occur in the meantime, or which will be in sight for the next day. Bullish or bearish sentiment will develop very rapidly now but yet we think that great caution is advisable on advances after the sharp gains which had taken place.

The ticker at the present time is full of reports regarding conditions in Canada and our Southwest, and mention is hardly made of the balance of the winter wheat states. We still believe that the outlook in the states of Illinois, Indiana and Ohio is excellent, and we are not pessimistic as yet as to the total of winter wheat which might be raised with the large acreage.

During the last hour of the session no further rains were reported from any point. Weather in Canada was clearing at a great many places and the Winnipeg market became very strong. New investment buying took place here and after the market reacted upward from the lowest point, advances became very pronounced.

At the close of our market May wheat showed an advance of 1 1/2¢ per bushel and July 1 5/8¢ per bushel.

Primary receipts continue to be very light, 187,000 bu compared with 629,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a decrease so far of 160,000 bushels.

The corn market followed very largely the fluctuations in wheat at times but lost ground during the last hour. Rye was independently strong, particularly the May future. There is still an open interest of 1,210,000 bushels; arrivals are very small, and this future is very tight.

May oats had very sharp fluctuations, declining at one time 4¢ per bushel from the high point, but with a few supporting orders it then advanced very quickly and closed only 5/8¢ lower than yesterday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 20, 1937

There was some early disappointment that the predicted rains in the Southwest had not materialized. However, light to moderate precipitation had taken place generally during the past twenty-four hours over the American Northwest, also the Canadian provinces, as well as portions of Nebraska. Moisture in the Dakotas we think has been quite substantial. In Canada it missed a large part of the dry district but the forecast is again very favorable and more moisture is in sight. This affected the Winnipeg market very adversely and a sharper drop in prices took place than in Chicago futures.

We believe that it will be difficult from now on to boost wheat prices from this level, if the spring wheat crops in North America develop normally. If the deterioration in Kansas is not too great, a moderate amount of further losses in the Southwest would be offset by the larger yields elsewhere.

This country has been out of the export business for so many years and because it has had to operate on a domestic basis, our view point has been somewhat adjusted to the conditions which prevailed for that period. But this will have to be changed if the spring wheat crop comes through all right, because then under all circumstances we shall have an exportable surplus, even with some reduction in the winter wheat yields. On basis of the last government estimate, with a normal spring wheat crop, there were 900 million bu of wheat in sight. Should this be reduced 30 or 40 million bu, we would still have considerable over home consumptive needs. Should Canada then raise an average crop or better, the demand for United States wheat, except very early, might only be moderate. Therefore the further development of the spring wheat crop will be more important in its effect on prices than the final yields in Kansas. It also should not be forgotten that this is virtually the only state which sends in complaints, Missouri, Illinois, Indiana, Iowa, Michigan, Ohio and a number of smaller states all promise not only good to average yields, but a re likely to raise more than that. In addition Texas and Oklahoma crops have advanced sufficiently so that they are reasonably secure.

Kansas City at the present time is particularly strong, largely influenced by what they see in their immediate neighborhood, their futures selling very close to ours. However, when wheat actually moves they are likely to attract a great deal from Oklahoma and later on from Nebraska. Furthermore, with that market selling almost as high as ours, it might be very difficult to do any business eastward, and the outlet will be very much curtailed. In the meantime the strength in the Southwest has a great sentimental influence here.

Liverpool futures were quite weak, closing 3/8 to 1 1/4¢ lower, which was partly due to a smaller demand for the cash article, but chiefly in sympathy with the Winnipeg market, as news travels so quickly that Englishmen in the wheat trade know almost as well and as soon as we do what is going on in Canada, and they had been fully advised of the precipitation there.

Black sea shipments this week are 1,616,000 bu compared with only 288,000 bu last year. Argentine shipments are estimated at 2,204,000 bu vs. 1,224,000 bu last year; and India also cleared about 1/2 million bu.

It appears as though Canada is selling more now to Europe than for some time, and we believe as far as the old wheat is concerned, it will all be needed and we can see no burdensome stocks accumulating in any of the important countries.

Primary receipts today were light again: 186,000 bu against 368,000 bu last year. This absence of pressure naturally has a steadying influence, and considering the great weakness in Winnipeg our market acted quite well. At the close May wheat had declined 1 1/4¢ per bu and July 1 1/2¢ compared with yesterday.

(OVER)

The open interest in May wheat declined 840,000 bu and is now 7,322,000 bu. Deliveries are taking place right along, reducing it still further, and we should not be surprised if sufficient trades would have been cleaned up today so that by tomorrow the amount woul be reduced to 6 1/2 million bu or so. Considering further that ac cording to our best estimates there will be at least 500,000 bu more wheat ready for delivery if needed, and possibly 750,000 bu, we do not feel that there is much likelihood for the old wheat to go out a extravagant premiums . The time for marketing this old wheat freely is only about four or five weeks. By that time the harvest will gradually start in Texas and Oklahoma and move northward, although i may take another extra week or two more before the wheat actually moves freely in commercial quantities.

Corn was very erratic at times, with many fluctuations in the May delivery. Changes in price at the close were not important.

Oats held steady, although it is reported that the cash demand is not as urgent as it was. Rye closed lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 21, 1937

The weather map today, being different from what was expected, was rather a surprise to the trade. The weather report, as far as the wheat trader is concerned, is about the most important document issued daily. It had been expected that Canada, particularly the dry district, would receive a fair amount of moisture and very little was expected in the Southwest, but the contrary happened. There was a heavy rainfall to light showers in Manitoba, Canada; but southern Saskatchewan, where moisture is most needed, was not relieved. The rains in Kansas were largely confined to the eastern and central parts where they undoubtedly will do lots of good. Nebraska also received some moisture, but it was rather inconsequential. Some of the reporting stations in Kansas were very well favored, the amount of rainfall running from o.44 inch to as much as 2 inches at one point. However, not more than six points out of twenty-five were so favored with rainfall between those two extremes, all the other points having received small amounts or nothing. This country, as well as Canada, has such a large area that it is rather difficult to obtain a clear picture of how much moisture relief was actually given, and whether the crop estimates, taken as a whole, ought to be increased or decreased, there being offsetting benefits in one part of the country and continued suffering in the other. The Modern Miller expresses the situation nearly as we would describe it and they claim: "With normal weather there is the probability of a large crop as improvement in the territory east of the Missouri river has offset the losses in the more western area in the Southwest." Inasmuch as Montana, as well as North Dakota, has a very good start so far with good moisture, particularly compared with the last few years, we still think it is in order to be rather optimistic as to the total outcome of the winter and spring wheat crops combined.

For a while the great strength in Canadian markets, which had been very weak yesterday, and which established quite a recovery, had a great sentimental effect upon traders. They were too nervous to sell wheat short in view of the fact we are approaching a period when high temperatures in the Southwest are in order, and of course a total absence of further moisture might cause some temporary excitement. On the other hand, one or two more good rains would almost assure us of an abundant winter wheat crop which, together with the spring wheat yields that are in sight, might make it rather hazardous to figure that the present price of July wheat is cheap. The situation was different last year when values were 35¢ a bushel lower.

Europe also had troubles of her own. Broomhall reports there is too much rain in several important countries and that particularly Germany's outlook is very poor. This strengthened the Liverpool market but at the close futures there also declined from 1/4 to 1/2¢ per bushel. Of course as far as Europe is concerned, they will have to battle for about two months to cover the absolute minimum of their requirements as there is very little competition as far as selling on part of exporting countries is concerned.

Argentina shipped 1,990,000 bushels this week; Australia cleared 3,222,000 bushels to which heavier Black sea shipments have to be added. It is quite evident that if importing nations need 11 or 12 million bushels, Canada will have to furnish a very large share, and this will not change until the United States will be able to take the place of the Southern Hemisphere where clearances will be on a diminishing scale.

Primary receipts were larger today, 482,000 bu. compared with 444,000 bu. last year; but included in the receipts were heavy arrivals here in Chicago by boat, evidently to fill May contracts. The open trade in May wheat was reduced last night to 6,755,000 bu., and daily deliveries are keeping up at the rate of close to 300,000 to 400,000 bushels, indicating that the desire to hold and keep this wheat until a better demand develops is not very urgent. More traders must have come to this conclusion as May wheat suffered the biggest decline and at the close was 3 3/4¢ a bushel lower than yesterday. July wheat was also weaker, declining 1¢ a bushel for the day.

Corn, oats and rye acted rather independently today. Corn was actually higher and the continued light receipts of American corn and the fact that so far it has been impossible to accumulate any in public elevators naturally has a strengthening effect on May and sympathetically on the others. Oats were somewhat lower, cash demand not being as good as it was. Rye did ndt change very materially. Trade in this cereal is very light, the total turnover yesterday being only 1,084,000 bushels.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
Y YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 22, 1937

Liverpool wheat cables were very strong today, closing at an advance of 2 1/8 to 2 1/4¢ per bu. English markets were influenced by further estimates of larger requirements by Germany and they do not see any too much wheat in sight for the present needs of importing nations for the next few months. With supplies in the Southern Hemisphere substantially reduced and with their new crop still seven months away, North America undoubtedly will be called upon to furnish the largest quantities during that period.

For almost ten years Canada had carried over such large amounts of wheat from one season to another that whenever an active demand came into existence, it was just a question of price and the wheat was always available. This situation has radically changed. Available stocks of Canadian wheat on May 14, not including stocks in farmers' hands and in transit, amounted to only 57,641,000 bu compared with 167,910,000 bu the year before, or 110 million bu less. There were many prior years when stocks were even larger. It is quite evident that during the next eleven weeks until August 1, when the new crop-year starts in Canada, exports from there can only be moderate. This will be the case even if we assume that they will be satisfied with a very small carryover. In years when crops were late the movement did not often appear in commercial quantities until much later. Therefore, it is quite understandable that it is most unlikely that there should be any pressure abroad at the present time, and the high prices at Liverpool, particularly where freight rates are also very high, might be fully justified. Liverpool undoubtedly was also advised that there had been no rains in Saskatchewan, the largest province in Canada, and until there is relief in that quarter more or less apprehension will be felt as to the outcome of the crop. Nevertheless with timely rains in June, which very often occur in Canada, no irreparable damage has yet been done.

We believe the whole picture is likely to change if we may assume that the North American wheat crop will turn out to be very much larger than last season, when only 852 million bu were raised. With the present outlook a crop of 300 million bu greater would not be a surprise; but while this is a possibility, perhaps a probability, it is by no means a certainty, although the large acreages justify one to remain in an optimistic mood for good yields.

In the United States they had some very unexpected and very beneficial rains overnight in both Kansas and Oklahoma. As far as the latter state is concerned, the crop is sufficiently advanced so we may almost assume that yields will be very satisfactory and a final outturn of 45 to 50 million bu for that state would not surprise us. As far as Kansas is concdrned, the prospects must be gratifying to the farmer in the better districts, representing about 8 to 10 million acres. We believe now that this year will be no exception, and harvest returns will show up better than the May figures, which they have done five times out of the last six years when weather conditions were not particularly favorable. We do not assume that the next June report will be quite that optimistic, as provision is always made for possible damage after that. The best reports in years such as this often come when the final threshing returns are known.

The market hesitated at first and traders did not know whether to pay more attention to cables or anticipate the facts of the rains, but finally when the Winnipeg market held so very strong, this remained the dominant factor. It was assumed that under the circumstances there might be another strong cable on Monday. At the close May wheat was unchanged and July 7/8¢ per bu higher compared with yesterday.

Primary receipts continue to be light, only 335,000 bu compared with 504,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis showed a decrease so far this week of 794,000 bu; and undoubtedly there will be another good decrease in the visible supply on Monday.

At various times during the session the extreme strength in corn was also a helpful factor. The open interest in May wheat declined 344,000 bu yesterday, and is now a little under 6 million bu. There must have been quite heavy liquidation, as this future had some sinking spells at different times.

The situation in corn, however, is different.The open interest last night was still 2,624,000 bu, which is very large considering there is not a bushel of contract corn in Chicago public elevators. This cereal was very strong all through the session and a great many people feel that as there is no corn here the situation might not be radically changed even in July or September when these periods come around. Oats and rye developed no special feature. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 24, 1937

Cables were weaker than due when our session opened and during the day Liverpool futures declined further, finally closing at a recession of 1 7/8 to 2 7/8¢ per bushel compared with Saturday.

There were various reasons for this change of sentiment abroad. The chief one we believe was the knowledge that there was very good moisture in Canada during the last forty-eight hours. It is true that the heaviest rains were in Alberta, which province was already reasonably well supplied and more precipitation at the present time was not absolutely necessary. Nevertheless it is impossible to have too much rain in Canada anywhere at this time of the year because the last few seasons have diminished the subsoil moisture to such an extent that the replenishment is very desirable. This also gives some insurance for later periods when drought and hot weather might set in. However, what is more important the rains also extended to several points in Saskatchewan and one reporting station in that province indicated almost one-half inch, or to be exact 0.43 inch during the last two days, which ought to be very helpful - in fact, it was urgently needed. Just how much of the territory was so favored is impossible for us to tell at the present time, but roughly speaking, we would say that the outlook for the Canadian crop now is much less serious than it was before this change in the weather.

Furthermore, a probable influence on the Liverpool markets was the report from the Bureau of Agricultural Economics, claiming there was improvement in some areas abroad. However, conditions are still quite irregular and well below normal. Italy, France or Germany cannot boast at the moment of large or even normal crops, and there is very little doubt in our minds that Italy and Germany will have to be counted on again as fair or large importers during the next twelve months, particularly as their old stocks of wheat must be reduced or exhausted.

Despite the large world shipments, amounting this week to 12,575,000 bu compared with 10,328,000 bu last season, the amount on passage is continually decreasing and is now 43,488,000 bu compared with 45,912,000 bu last week. At the same period last year it was only 33,136,000 bu, but a little while ago the difference by way of comparison was very much larger.

As far as the United States is concerned, there was very little rainfall except in the Texas Panhandle and in portions of Minnesota, but temperatures are rather cool in the central states, as well as everywhere else. According to the predictions of our weather man, we may look for more precipitation in the Southwest by tonight or tomorrow. This refers to both the eastern and western sections. Some of the newspapers in the Southwest are becoming very optimistic now about the outlook in Kansas, and we quote in part from the Kansas City Star a dispatch from Topeka as follows:

> "Heavy, soaking rains in Eastern, Southeastern and Central Kansas in the last twenty-four hours have virtually eliminated drought conditions in those sections of the state, S. D. Flora, Federal meteorologist, said today.
>
> "Forecasting fair weather tonight and Sunday, with somewhat higher temperatures tomorrow, the meteorologist said a "great dent" had been put in the Kansas drought by downpours ranging from one to five inches.
>
> "Western Kansas, however, remains "bone dry," he said, and each day finds that section of the state needing rain badly."

As far as western Kansas is concerned, the acreage had been so largely reduced by abandonment already but possible bumper crops

OVER

in some of the eastern sections may make up a great deal of the deficiency of the poorer areas; and it should never be forgotten that the total acreage planted was the largest ever known, as far as Kansas is concerned, and even the standing acreage is still quite large.

Very soon we shall hear the estimates on the winter wheat crop from the private experts, which will then be followed by the government report. It should be remembered when we receive these figures that they are almost universally too low in June when compared with the final results. There was no exception during the last six years, as shown by the following:

Year	June Estimate	Final Report	Plus
1936	482,000,000 bu	519,000,000 bu	37,000,000 bu
1935	441,000,000	465,000,000	24,000,000
1934	400,000,000	438,000,000	38,000,000
1933	341,000,000	377,000,000	36,000,000
1932	411,000,000	492,000,000	81,000,000
1931	649,000,000	821,000,000	172,000,000

Considering that we had three or four drought years and that nevertheless continued improvement was shown after the June report came out shows that customary allowances for possible deterioration are usually too large and it is reasonable to suppose that this year will be no exception.

Primary receipts of wheat continue to be light, 404,000 bu compared with 824,000 bu last year; and naturally under these circumstances the visible continues to decrease, which probably will last until the new crop starts to move. Today's decrease in the visible supply was 1,817,000 bu, practically the same as last year when it was 1,915,000 bu; but the total is now only 16,520,000 bu versus 29,734,000 bu in 1936, or 13,214,000 bu less. There were also decreases in every other cereal and the total visible supply of wheat, corn, oats, rye and barley is only 34,489,000 bu against 85,748,000 bu last season. This becomes important as it indicates very plainly what wonderful prospects there are financially for the farmer. He has virtually no sizable old stocks of any cereal to compete with his new raisings; and we all know what farmers' prosperity will mean to every worker, and every business man everywhere.

Corn had a strong undertone all during the session and was hardly influenced by the weakness in wheat. The fact of the matter is receipts continue to be light, stocks are decreasing and it is difficult to see where any accumulations could come from.

Oats varied very little, but rye closed considerably lower for the deferred futures but May remained very strong and advanced.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 25, 1937

Liverpool wheat cables were reasonably strong today, futures there advancing 3/8 to 1/2¢ per bushel for July and October, but gained 1 1/4¢ for May wheat. The latter, however, is almost a cash proposition now.

Foreign quotations are of less interest at the present time because they are to a great extent a reflection of weather conditions in North America. There was a good decline abroad yesterday, while Winnipeg was closed, when word was received that Saskatchewan had a fair amount of rainfall; with no further precipitation in that province overnight traders were more optimistic as to the price level.

In the United States light to heavy showers have occurred the last twenty-four hours over the Texas panhandle, Oklahoma, eastern and central Kansas and portions of Minnesota, while fair weather has prevailed in the spring wheat territory in the Northwest. The prediction indicates further showers over eastern Kansas and Oklahoma, with probably showers in Alberta on Wednesday. With the large territory involved in all America, it is rather difficult to form accurate opinions from day to day as to the effect rainfall in certain districts will have on the total production of the entire wheat area. Our own conclusion is that with the late rains in Texas and Oklahoma, a crop in these two states is almost assured. As far as Kansas is concerned, we assume that about 9 1/2 million acres of the 13 1/2 million acres still standing for harvest will produce good to excellent results. The remaining 4 million acres are in doubt, but as the wheat has not yet been plowed up, with good timely rains moderate to poor results could still be obtained. Regarding the soft winter wheat states, Illinois, Indiana, Ohio, Michigan and Missouri, we hear no complaints whatsoever, and parts of these states might produce not only normal crops, but much above. Possibly if Nature is kind we might hear of some phenomenal yields in spots later. So taking the winter outlook in general, and judging from past experience where crops usually had been underestimated at this time, we feel that final yields ought to exceed the last May report of 654 million bu, although this may not yet be shown in the June report and only will become an actual fact when threshing returns are collected.

The trade in general is also impressed with the fact that the time is passing and the harvest period is approaching; by that time theories will be cast aside and when the wheat actually moves it will bring about hedging pressure which can only be relieved by an actually heavy domestic and export demand. If is quite likely, however, that if present prices prevail the farmer will market a larger percentage of his crop than usual, and should this be the case no matter what final values would be justified, there might be a recession first when the movement is at its height.

The importance of the American crops is plainly shown by the fact that for eleven months Europe got along nicely with importations from North America of 173 million bu up to date, which probably will mean about 190 million bu for the year. There is still a possibility that the United States alone might raise almost such a quantity above home requirements, and Canada, with her present acreage, we would consider a crop of 300 million bu a rather poor yield, and that would also give her an exportable surplus of 190 million bu.

As far as Europe is concerned, crop prospects are only reasonable with the exception of Russia, where crops in the winter grain belt are reported to be thriving. They need moisture in the spring wheat territories, but if all goes well Russia might become an exporter again, although she has disappointed importing nations so many times that it is almost forgotten that she is in existence, as far as wheat exports on a large scale are concerned.

There are also great uncertainties in our Northwest, which will continue unless we have copious rains from time to time. The situation is considerably better, we believe, than last year, but at the

(OVER)

same time we started with a lack of subsoil moisture, which has not yet been replenished in many parts, particularly in North Dakota.

The open interest in May wheat last night was reduced to 4,557,000 bu, and with further deliveries made today and quite heavy trading at times, we presume tomorrow, the last day for trading in May wheat, open trades might start with less than 3 million bu. As there is quite a fair quantity of wheat in public elevators ready for delivery, we are inclined to believe some holders might decide to sell at the prevailing premiums and possibly there might be a further narrowing between May and July.

Fort Worth, Texas, reports that a car of new wheat was received, but we do not attach much significance to that, as we have seen very often that it takes a couple of weeks or more after the first arrivals until there is an actual movement in fairly large commercial quantities.

Primary receipts of wheat were extremely light, 127,000 bu compared with 615,000 bu a year ago.

Toward the last hour extreme weakness developed at Winnipeg, probably influenced by the improved weather conditions during the last three days; and their July future declined the full limit of 5¢ a bu, which had a very depressing effect on our market. At the close our May wheat showed a decline of 3 3/4¢ per bu and July 2 7/8¢ compared with yesterday.

Corn, oats and rye were largely affected by the wheat situation. However, cash corn had lost all its premium and could be purchased so as to show a profit if delivered on May contracts. Oats held comparatively strong on the May future, which seemsto be wanted by various interests; but rye declined with the rest.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 26, 1937

There has been no solution as yet to the gold question, although we hardly believe that the steady accumulations are to the liking of either the Bank of England or to the American Administration. We appreciate that it is very difficult to solve it, but it seems the longer it is delayed the harder the problem becomes amd sometime it must be met, unless there should be a decrease in gold production, which is not in sight. The flow of gold from England to the United States continues. Gold engagements during the last two weeks from various countries amounted to about 70 million dollars. In addition there seems to be a tendency to release some of the earmarked gold. Evidently some of the foreign central banks are selling it, fearing a change in the gold buying price. Our total stocks now approach very closely the 12 billion-dollar-mark, which is more than twice the holdings of the Bank of France and the Bank of England combined. Our inactive gold supply is now about 700 million dollars and with shipments on the way will soon be 725 million dollars. It naturally affects our total fiscal policy and necessitates either continuous borrowing for this purpose or else a reduction in our working cash balance. At present no attention is being paid to this matter, as we have the assurance that no immediate changes in the gold policy are contemplated, but it must be kept in mind, as far as the value of commodities are concerned, should the content of our dollar ever be changed.

At the present time, however, traders and speculators pay very little attention to any possible changes in monetary affairs and are more interested as to the possible size of the North American crops, as well as the European requirements on part of importing nations.

Liverpool wheat cables lost overnight from 1 3/4 to 3¢a bushel, following the decline of the Winnipeg market late in the session yesterday. With the much cheaper offerings from Canada, where July wheat declined 5¢ a bushel yesterday, a very big demand developed and it is claimed that about 2 million bushels of Manitoba wheat, in all positions, were worked to the United Kingdom, Germany and Antwerp. This in turn strengthened the Canadian futures and had its influence upon ours, but could not prevent an early decline from which there was a moderate recovery.

There were a great many crosscurrents today. On the one hand, some of the private weather experts predicted rain or showers practically all over United States, as well as in Canada. If these should materialize, naturally they would be all important and have a great sentimental effect upon the market. Later on the official forecast was not quite so optimistic, although there seems to be a showery condition at many places, including Saskatchewan where moisture is needed very badly. This being the last day for trading in May futures, the great strength which developed in several of the cereals also had a constructive influence on prices. May rye finally showed a net advance of 1 1/2¢ a bu for the day, after having gained 7 1/2¢ early, May corn 5¢ and May oats 4 1/4¢.

European and American crop reports are still mixed with the exception of Germany where there are pessimistic reports and a bad outlook is admitted. Most other countries promise at least fair crops with the possibility that Russia might be in a much better position this year than for several seasons. In the United States some very glowing reports are being received from the territories where soft wheat is being produced and there are possibilities of bumper crops at many places. On the other hand, there is still deterioration going on in western Kansas, as well as in Oklahoma, but we do not believe that the losses there will be sufficient to offset the gains in other sections. Whether or not we shall raise a large crop will depend largely upon the outcome in the spring wheat states. So far the complaints from there are largely confined to the western part of North-Dakota, and with normal weather from now on spring wheat yields ought to be up to average or considerably better than in 1936. We still think the possibility exists that the United States and Canada together will produce in excess of 300 million bushels more than in 1936. Therefore, we shall have a large exportable surplus, and with this in view present prices look reasonably high.

Primary receipts continue to be light, 278,000 bu compared with 410,000 bu last year. At the close the market showed a decline of 3¢ a bu for May wheat and an advance of 1¢ for July. Considering that May wheat closed less than $1.20 at the tail end of one of the shortest crops we have had in many years, prices for July and September wheat ought to appear tempting to the farmer. Trade in corn, oats and rye was comparatively neglected, everybody being busy closing May trades.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 27, 1937

We believe that rains during the last twenty-four hours covered a larger territory than on any previous day this season; they have been general over Kansas, Oklahoma, Texas panhandle, Missouri, Iowa, Illinois, Indiana and Ohio. However, they were very light over the three Canadian provinces. Private forecasts are also for light showers over the Northwest tonight and Friday, and there may be further precipitation in central west and Southwest. These rains came at a time when they may do an extreme amount of good. This is practically the first time this season that precipitation has been most generous in the dust bowl, where crops have been deteriorating almost daily and any further delay would have been very detrimental. Considering that the crop in this territory is very much later than in the eastern part of Kansas and very often is not harvested until early July, it is quite evident that crop estimates for the whole state of Kansas must now be raised considerably. Opinions are already expressed by those who had believed yields in Kansas might have to be reduced to 130 million bu, that 150 million bu or more are now a possibility. This would still be somewhat less than the government estimate in May, but it may be one of the few exceptions, as we believe that practically all the other states are more promising now than they were thirty days ago, as the government in its estimate usually allows for seasonable deterioration which has not taken place. The private estimates that will be given to the trade next week ought to be very promising. However, with the usual caution, we shall probably have to await final results after harvesting and threshing before our own opinion is confirmed: namely, that the winter wheat crop is likely to be a very large one. We base our opinion on past experience and estimates usually have been increased particularly when the weather was favorable.

Liverpool wheat cables again came higher, advancing 1 3/8 to 2¢ per bu. Further purchases on part of Germany amounting to about 750,000 bu of Manitoba wheat were reported. However, no confirmation of this was received, and we believe the frequent reports of Germany's takings must have been exaggerated, as the total amount cleared from exporting countries for Germany so far hardly exceeds 10 million bu compared with over 50 million bu for Italy. Of course, there is the possibility that much more was purchased and has not yet been shipped.

Black sea shipments this week are expected to reach 2,400,000 bu vs. none last year, and Argentine 1,003,000 bu against 548,000 bu last season. It is now expected that the crop in India was overestimated, and that her total sales to Europe will be inconsequential.

It is quite evident that the United States, as well as Canada, will be called upon for moderate or large quantities until Europe harvests its own crops, and thereafter much will depend upon the outcome in the Southern Hemisphere, whether or not importers will be liberal buyers and anticipate their requirements. Of course, they are bound to take at least as much from Canada as they did the past season, and possibly more.

Before our session opened feeling was extremely bearish, and although a trifle modified by the fact that Canada was not as equally favored as the United States with rains. But, nevertheless, the indications were for a very severe break until a sharp advance took place in corn, which had a steadying effect.

It is time to consider the effect of the high price of corn on the consumption of wheat for animals. Under ordinary circumstances we would expect that it would increase the consumption considerably, but cattle and hogs have been reduced to such a large extent that there will be less feeding than generally, and of course, when the period arrives when feeding is the largest, a new crop will come on the market and feedstuffs might not be as scarce as they are now.

At the close our market showed an advance for July wheat of 3/8¢ per bu and for September 1/4¢ compared with yesterday.

(OVER)

With May corn out of the way and closing at the highest price on the crop for probably more than twelve years, much interest was taken as to how cash corn would sell. Premiums started at 12 1/4 to 13¢ for No. 2 yellow and No. 3 yellow corn over July, and white corn brought an additional cent or two. Under these circumstances it appeared to everyone as if July corn would be in a very strong position-- prices were being bid up until they advanced the full limit permissible in one day, or 4¢ a bu. On the advance, however, offerings from the country were more liberal and about 138,000 bu were sold to come to Chicago. Corn will remain a fancy article and difficult to advise what its direction is likely to be. On the one hand we must recognize the extreme scarcity, and on the other the very high price, which possibly might change conditions, particularly as Argentine corn is offered for later shipment to arrive possibly in June at about $1.20, or much cheaper than the July future, and possibly 15 to 18¢ less than the cash corn.

Oats had a similar experience. All the oats which were delivered on contract were well taken care of, creating new hopes that the cereal had been under-valued.

Rye contracts during the month of May were only filled by bringing it here from all quarters and this cannot be repeated in July. Those who are short have to depend upon new arrivals during July on the new crop movement, and whether or not they will succeed will remain a weather question. With this uncertainty July rye is in a technically strong position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 28, 1937

Liverpool wheat cables were somewhat easier than due before our session opened. They were probably influenced by the more favorable weather reports which had been received from this side yesterday. At the close they showed a decline of 3/8 to 1 1/4¢ per bushel. Their May future closed at about $1.42 while October wheat is only $1.30 1/4, or 11 3/4¢ discount. These differences, in our opinion, are fully justified on the same reasoning as we have explained right along that we shall probably emerge from a year of scarcity and might possibly enter one of reasonable plenty. The lesson to us, however, is that on basis of approximately $1.30 for October wheat, our price level would not justify a large export business unless there would be a radical change. This in view of the fact that ocean freights are very high and it will take a wide spread this season to accomplish a large business. This, however, will not prevent our anticipating a fair amount of European demand for early wheat, as July wheat is still bringing $1.40 3/4 and it may be that during that month, as well as August and part of September, cash wheat might bring a fair premium over October.

Those exporting countries which still have large exportable surpluses are taking advantage of the situation, and Australia cleared this week 4,310,000 bu compared with 1,780,000 bu last year. Argentina shipped only 1,003,000 bu, the smallest this season, but the amount available for oversea shipment is very light at the present time, and that country will be no important factor until her new harvest comes on the market. Farmers in that country are very much encouraged with the big prices they have obtained for their crops this year, and a much larger acreage will be planted, consequently later in the season weather and crop prospects there will be very closely watched.

After several months of complaints of bad weather in some of the Continental countries, a change for the better has taken place and crop advices generally are more favorable. Broomhall claims that warm weather in France is stimulating the growth of and the appearance of the plant is very much better, although it is not likely that that country will obtain a large outturn this year.

The weather map in the states did not indicate much moisture except rains over the Texas panhandle; everywhere else weather was either fair or precipitation very light. The same may be said of the Canadian provinces where rainfall was either absent or light. However, while the weather map had been watched now for weeks and weeks, little attention was paid to it today, as the trade came to the conclusion that it is not necessary to have rain every day and that with the weather which has prevailed now for some time, the outlook for the winter wheat crop is very promising, and prospects in the spring wheat territory are better than fair, much depending on the summer weather later on.

Early in the session the great strength in July corn was somewhat of a sustaining influence to wheat prices. However, it is possible the corn situation is also changing somewhat. There were quite heavy offerings from country points, and a good deal could have been worked to Chicago had it not been for the fact that premiums here for corn to arrive were reduced considerably. Of chief importance, however, is the fact that in the country there is some corn for sale if the price is tempting. At the close No. 2 yellow corn sold at 12¢ over July against 14¢ over yesterday or a two-cent lower premium.

There were more reports received from many quarters indicating great improvement in wheat crop prospects, thus creating a more bearish sentiment and liquidatinn took place on quite a large scale, final prices showing declines, compared with yesterday, of 2 3/8¢ for July and 2 7/8¢ for September wheat.

The widening of July over September wheat, in our opinion, is entirely accidental, all depending upon whether selling orders at the time are mostly in one or the other future. We ourselves believe that when the crop actually moves, the premium for July wheat over September is likely to disappear. The early export demand may easily be filled from Texas and Oklahoma, and elevator operators certainly will be disinclined to fill up their space with premium wheat. Furthermore, there are four states, namely, Illinois, Indiana, Iowa and Missouri partly which are tributary to Chicago and might bring enormous quantities to this city.

OVER

Primary receipts continue to be light, 209,000 bu compared wit 445,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 401,000 bu so far for the week. This would indica another decrease in the visible supply next Tuesday despite the fact that stocks are already so light, but probably it will not be more than it was last year, similar period, when stocks were reduced 1,290,000 bu.

Considering the great weakness in wheat, corn held up remarkably well, although prices suffered in sympathy with the sister cereal.

Oats and rye did not present any special features, but recessi took place when the other cereals became weak.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 29, 1937

Liverpool wheat futures declined 1/2 to 5/8¢ per bu, which was very much less than was expected after our sharp break of yesterday. Europe is very much further removed than we are from the period when new wheat will be available for the trade. Their own crops are later than ours, and of course some time is required for new American wheat to be accumulated in sufficient quantities to be shipped in cargoes, also the time it takes until it reaches its destination makes quite a difference. Therefore the scarcity of old wheat on the Continent and United Kingdom remains quite a factor abroad, while here all eyes are turned on the new crop prospects. Within four weeks harvesting will be on in earnest in many places in the states. Our market, therefore, is very largely influenced by the outlook of the new crop, particularly as (despite the depleted stocks) there will be no scarcity in the amount of wheat left to cause any concern. Therefore, with a very favorable weather map today and prospects of a continuance of same during the next twenty-four hours to forty-eight hours, sentiment in wheat became very bearish and prices started to decline right at the opening.

Showers were general over the Canadian provinces, including southern and central Saskatchewan. The dryness in this province has caused the most alarm as the area planted there is more than one-half of all the Canadian acreage, and rain was absolutely needed to prevent further deterioration. It seems that it came in time, provided of course, that more will follow and this is very probable if the weather forecaster is correct in his interpretation of the barometric lines. Heavy rains also fell over the Texas panhandle, and indications are for showers and thunderstorms over the Northwest tonight and Sunday. The central west and southwest, as well as the middle states, are also likely to be visited with more thunderstorms, so we may say in a general way that the weather just now is almost perfect, which leads us to believe that crop estimates will gradually have to be raised. It is true there are still some bad reports coming from Kansas, but on the other hand Missouri is likely to produce a bumper crop, possibly raising 10 million bu more than last year. One great optimist predicts that in some parts there as much as 60 bu per acre might be produced. During the next month harvest will begin in parts of Texas and Oklahoma, gradually extending northward, and with the price still satisfactory to the farmer a comparatively heavy movement is in sight, weather permitting.

As long as July wheat remains at a premium over September, we presume hedges will be largely concentrated in July wheat and it will take an ever increasing number of new buyers to absorb same unless part of the accumulations can be sold abroad. We feel that probably there will be a very fair export business during the months of July and August, but do not look for any extraordinarily large amount of clearances unless European crops should deteriorate. At the present time weather in the United Kingdom and the Continent is quite satisfactory. We hear less complaints but rather an improvement in the outlook.

Primary receipts today were light, 221,000 bu-- last year was a holiday. So far this week stocks at Kansas City, Duluth and Minneapolis decreased 452,000 bu. At the close July wheat declined 3 1/2¢ a bu and September 3 1/4¢.

Arrivals of corn are larger, primary receipts being 588,000 bu. It seems the high price is bringing out more corn, and perhaps there is more left than was anticipated. The market is in a very vulnerable position. Should wheat decline further, of course, by way of comparison, the price looks high.

Oats held comparatively firm considering the weakness in wheat, but rye suffered very severely, closing at a sharp decline.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 1, 1937

During our two-day holiday new disturbances in the Spanish war situation caused fresh concern abroad. The fact that Germany insisted upon reprisals for killing some of her marines on a war ship through Spanish bombs created new fears of complications. Backed as she was by the Italian government, also making some claims and withdrawal by the two nations who act in concert from the non-intervening committee unless they receive certain guarantees, brought somewhat nearer the possibility of a European war. Of course very few expect that this will happen unless other accidents might bring about a European situation which might be difficult to control. Usually when there is a war scare wheat and cotton advance, stocks decline, and in a general way it is bullish on gold, because war always means higher prices for commodities and labor, scarcity of human workers and a reduction in gold production. The markets, however, did not work according to this theory; both cotton and wheat were extremely weak abroad, and while stocks declined, the sharpest break was in African gold mine shares. It is now surmised that the gold scare was greater than the war scare. Heavy arrivals of gold compelled the English stabilization fund to step in again and buy the offerings. Many wonder how long these purchases of gold on part of two or three nations can continue when really nobody wants it. Prospects are that every ounce of gold now purchased will finally lose in value and might be had for very much less later on.

However, more influential than anything else were the moderate to copious rains which have occurred since Saturday morning over the entire American spring wheat belt, as well as western Kansas, Oklahoma and Texas, also the central states; and from a moisture standpoint the past week was the most favorable in many weeks. These rains coming at this time ought to be of immense benefit to the growing wheat crop in the winter wheat states, and if we consider that an average improvement of 1 bu to the acre would increase the production of winter wheat 47 million bu, it is easy to appreciate their importance. As far as spring wheat is concerned, while much may happen yet, it will give the plant a wonderful start. We strongly believe that the winter wheat crop will turn out very much better than the present June estimates. Calculations are based largely on reports received during the past ten days. The moisture situation was still in doubt then.

Canada had not been as equally favored during the last forty-eight hours as the United States, and while before that time she had some precipitation, soil conditions in the largest province of Saskatchewan are such that much more precipitation from time to time will be needed to bring about moderate or good results. This caused great strength in Winnipeg at times, which was a help to our market.

Liverpool wheat cables closed very weak, futures declining 4 1/8 to 4 3/4¢ per bu, but this was partly the reflection of our declines which had taken place on Saturday after their market had closed.

World shipments were 11,665,000 bu, somewhat smaller than last week, but much heavier than last year, when they amounted to only 8,287,000 bu. However, Canada was only a small contributor, 2,728,000 bu vs. 5,183,000 bu in 1936; but Australia and Black seaports continue to show very heavy clearances- the two together being 6,710,000 bu compared with only 1,780,000 bu last season.

Foreign crop conditions while still mixed are more favorable. Prospects in Russia are generally good following rains in the drought areas, and to say the least there exists the possibility that Russia, which has been only an intermittent exporter since 1914, might become a factor this year. Nobody has any accurate statistics about the size of her production or the consumption of her ever-increasing population, but we know that wheat yields during the last two years were very poor. If this year there should be a great excess production and with the high price prevailing, she might enter the exportcolumn again. Nevertheless, we feel that under all circumstances the United States will

(OVER)

have an opportunity to compete with other exporting nations this year- at least during the early period of July and August, possibly extendin into September, largely due to the exhaustion of stocks abroad and Continental crops being harvested so much later than ours. After that time much will depend upon the size of the Canadian crop and later we have to compete with the harvests in the Southern Hemisphere, when our chances will diminish.

Fort Worth, Texas, received today six cars of new wheat, the fir actual sign that the new crop wheat movement will be with us before long. Should it prove to be an early one, and much will depend on the weather, whether or not this will be the case, we shall be soon confronted with larger hedging sales, and if our surplus above home requirements is what we think it will be, the pressure will become very great before long, which might bring about a still further recession in prices. It is not likely, however, that we shall see extremely low values. This usually does not come until after a succession of years when large carryovers have been created.

Primary receipts of wheat today were very light, only 423,000 bu against 418,000 bu last year. Our visible supply, which was already extraordinarily small, decreased still further, 1,713,000 bu, and the total is now only 14,807,000 bu compared with 28,444,000 bu a year ago, or 13,637,000 bu less. A large percentage of the total stocks is now in Chicago: 3,266,000 bu. The decrease for the week here was 550,000 bu, and it will require continued efforts to sell the balance, otherwise it will come into competition with the new wheat.

At the close there was an advance of 1 1/2¢ per bu for July wheat and 1 7/8¢ for September compared with Saturday.

Corn, oats and rye were all weaker. Weather is very favorable for all these cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 2, 1937

The financial world takes such an intense interest in the present gold situation because ever since Columbus discovered America and loaded his ships with the precious metal from these shores, a sudden accumulation of gold always meant higher prices for commodities, and at times inflation when new gold fields were unexpectedly discovered. There never was a time however when the stock of available gold increased quite as fast as it had since 1933, when the devaluation of the various currencies increased the amount artificially and in addition stimulated production. During the last three business days, offerings of gold in the London market amounted to over 20 million dollars, and the United States received during the week 29 million dollars in gold. Another shipment from Russia to England created new alarm and brought out some of the hoarded metal. It is true we have the assurance of the Secretary of the Treasury that no change is contemplated in the present policy of paying $35.00 per ounce, but it is taken for granted that under changed conditions this might be altered at some future time; and should this happen it naturally would have a great influence on the value of all commodities. There is the possibility that there would be deflation at first, but this in turn would bring losses in various ways, because a sudden depreciation in the value of world gold holdings, which amount to close to 25 billion dollars, would affect the financial and fiscal policies of every great country, and inevitably would lead to inflation afterward on account of the losses having to be made up somewhere. However, we are a rich country and can stand the strain of borrowing large amounts to acquire more gold for a long time yet; therefore, as far as wheat is concerned, no immediate attention is being paid to this feature.

Cables were very strong before our session opened but part of the advance was lost, evidently in sympathy with our markets which showed no response owing to the very favorable weather here. At the close Liverpool futures closed from 1/2¢ to 3/4¢ higher. At about ten o'clock the private experts gave their individual estimates on the probable size of the winter wheat crop and the average of five of those reporting concluded that 648,000,000 bu of winter wheat is the present outlook. It should be remembered, however, that the estimates varied a great deal, from 610,000,000 bushels as a minimum to 671,000,000 bushels as a maximum. Possibly some of them collected the information before the others, as it is generally conceded that a great deal of improvement has taken place during the last three or four days due to the very copious rains. From our own reports we would rather believe in the highest estimates. One further assumes that it could not have been foreseen that the last forty-eight hours were again extremely favorable for the best development of the plant, so that probably the highest estimates will have to be raised considerably and a final winter wheat crop of 700,000,000 bu or more should not be surprising. In fact, it is the general rule that the final outturn is very much better than the June estimate. There was no exception to this during the last six years.

There were only two estimates on the Canadian crop, the average being 330,000,000 bushels, and if we figure on a fair spring wheat crop, North America might easily raise 1,200,000,000 to 1,250,000,000 bu. compared with 855,000,000 bushels in 1936, or 345,000,000 to 395,000,000 bushels more. This quantity, we believe, could easily be taken care of as the United States visible supply, with the exception of the year 1918, will probably be the lowest, on July 1st, in the twenty-eight years since 1909. Furthermore, last year's world wheat crop was approximately 230,000,000 bushels less than normal consumption, so that even with additional yields in North America, providing Europe does not also raise more than last season, we would just about replenish our largely depleted stocks to the extent of about 165,000,000 bu. This, however, ought to mean somewhat lower prices than those existing at the present time, particularly during the height of the crop movement period.

OVER

We believe it will be less than a month until hedging sales will have to be absorbed in rather large quantities from many states, starting with Texas and Oklahoma and gradually moving northward to Kansas and Missouri, moving east to Illinois, Indiana, Ohio, Michigan, etc. We see no occasion whatever for anybody paying premiums for July wheat over September when the prospects are so favorable not only for a big movement in July but also a very heavy one for August, and therefore unless the premiums disappear for July wheat, the laying in of large stocks by elevator concerns or on the part of millers will not likely take place until later on.

Primary receipts are very light, 134,000 bu compared with 666,000 bu last year. With the high premiums existing, there would be every inducement for farmers to sell their old wheat, if they had it; therefore, there must have been a cleaning up of farmers' holdings such as we have not often seen. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 112,000 bu so far this week. At the close there was a decline of 3 3/8¢ a bu for July wheat and 2 7/8¢ for September compared with yesterday.

Corn acted comparatively strong and this cereal probably will remain a scarce article until another crop is brought on the market.

Oats and rye declined in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 3, 1937

Weather continues to be very satisfactory for the best development of the wheat plant in practically every state of the Union. Therefore we assume that in all probability the wheat crop in the United States will be fully as large and possibly larger than the private experts estimated. A crop of 900 million bu as a final result would not be at all surprising. In all the years from 1924 to 1936, the government only once- in the year 1931 - estimated in its June report a yield as large as 649 million bu, virtually the same as the private experts' figures, and the winter wheat crop that year finally turned out to be 821 million bu, or 172 million bu more. Of course, we do not expect anything as extravagant as that to happen this season; but further increases are looked for on our part.

Considering that our carryover would be about 90 million bu, we would have to deal with a quantity of 990 million bu. The disappearance last year we assume to be about 694 million bu as follows:

We started with ----------------------	138	million bu
The crop amounted to ------------------	626	" "
Imports so far ----------------------	30	" "
(Imports probably will be very little from now on)		
TOTAL -	794	" "

We estimate exports at10 million bu, and probably shall have a carryover of 90 million bu, making a domestic disappearance of 694 million bu. On the assumption that consumption in 1937-38 would be equal to that, we would have for export and carryover 296 million bu, and provided we are willing to increase our stocks again to the normal of about 140 million bu, we would have to export approximately 150 million bu. Whether or not this can be done without any great sacrifice in price will depend very largely upon the size of the crop harvested in Canada. At the present time prospects there are very fair, although from the largest province, Saskatchewan, there are still a great many complaints about dryness. As a matter of fact, it is difficult at this time to be sure about final yields in the spring wheat territories in either Canada or the United States. From that point of view, therefore, it is well to wait a little while longer before becoming too one-sided in one's opinion. However, if all goes w ell, we shall emerge from a year of scarcity and enter into one of great plentifulness with the probability of good carrying charges, which would make it advisable to use great caution on the buying side and better results, at the present level, may be obtained by first selling ahead.

The Argentine government seems disinclined to enter into any agreement with other countries for quota export limitations. We can easily appreciate her position, as in mo case could she improve herself. For the eleven months, from July 1 to date, Argentina exported 157 million bu of wheat and Australia 93 million bu, or a total of 250 million bu for these two countries of the Southern Hemisphere, out of world clearances of 527 million bu, or only a little less than one-half the total takings of importing nations.

Cables were very weak, Liverpool futures declining from 3 1/8 to 4 1/8¢ per bu. This decline was largely due to the favorable reports from North America and the break which took place here and at Winnipeg yesterday after they had closed. However, European crop prospects are also improved somewhat, and clearances from the Black sea were 920,000 bu compared with only 120,000 bu in 1936. Argentine clearances are estimated at 2,388,000 bu compared with 1,456,000 bu last year. This will enable Europe, together with purchases they are making in Canada, to satisfy immediate wants and they are looking forward to more liberal offerings of United States wheat within a short time.

Primary receipts continue to be light, being 220,000 bu, while shipments were 628,000 bu. We expect continued decreases in the visible supply until new wheat is moved in commercial quantities and will accumulate at terminal points, which may require another three or four weeks as a starter.

After the sharp decline which we experienced, and until the spring wheat crops are further advanced and until actual pressure is felt from new hedging sales, fluctuations may be on a more moderate scale. At the close today July wheat declined 5/8¢ per bu compared with yesterday.

Corn, oats and rye were weaker, the weather being very favorable for those cereals and prospects are in sight for much larger yields than last year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO

June 4, 1937

The total gold stocks in the United States for the first time in history have passed the 12 billion-dollar-mark. The increase for a year, or since the end of May, 1936, was about $1,600,000,000 of which 800 million dollars are segregated and for which money had to be borrowed. These funds had to be provided for either by borrowing or reducing our available cash balances, and as long as this inflow of gold continues the same methods will have to be pursued. The Treasury is now borrowing 500 million dollars additional for working funds, and it is quite evident that had it not been for the gold policy this would not have been necessary. Our debt then will amount to about $37,500,000,000, not including the various guaranteed loans. We believe that after a while there will be a repetition of what occurred in silver. Offerings will become smaller when once all the hoarded gold has been placed; however, they will remain large as long as the yearly gold production is at least 1 billion more than is needed for consumption, art objects, etc. While it is quite evident that our wealth still permits our going on for a while to borrow either for our deficits or for gold purchases, it will become rather embarrassing if we have to provide the funds for both. Therefore, much will depend upon our income or collections how long this policy will be permitted to go on before a change is substituted. Without knowing just what measures will eventually be taken, it is impossible to tell whether it will mean deflation or inflation, but finally of course a rising debt and tremendous losses on the accumulated gold would ordinarily mean inflation. Whenever that comes probably no commodities will be exempt from the effects, and wheat will share the fate of the others. This, however, is looking far ahead of all the other factors which will affect wheat prices at the present time.

Before our session opened cables were extremely weak, Liverpool futures declining 2 to 2 1/4¢ per bu. They were probably influenced by the very large clearances from Australia amounting to 3,794,000 bu compared with 1,526,000 bu last season; and Argentina cleared 2,711,000bu vs. 1,456,000 bu. However, as an offset Canadian clearances are running lighter than last year. This weakness abroad caused an early decline here and same would even have been greater had it not been for the fact that Saskatchewan, the largest province in Canada for wheat growing, is still without sufficient rain. The matter was not taken too seriously, as the weather in our Northwest continues to be extremely favorable, with good precipitation in many places and more predicted. In fact, as far as the United States is concerned, conditions are almost perfect. During the session there was a good recovery abroad, all the early decline was made up and Liverpool futures finally closed 1/8 to 1/4¢ per bu higher than yesterday, which naturally had a steadying effect on prices in our market.

There are one or more cars of new wheat received daily at various places such as Wichita, Kansas and Enid, Oklahoma, and in fact a car of new wheat was received today in Kansas City, having been shipped from Oklahoma. This is extremely early for a new wheat crop to come on the market, indicating that the period of large arrivals in commercial quantities may not be so very far distant. Fort Worth, Texas received as much as 37 cars yesterday.

As we view the situation now, the winter wheat crop will be a very large one and is almost safe. There might be a wet harvest which would hurt the quality, but as far as the quantity is concerned, nothing much is likely to happen. In the spring wheat territory crop prospects are also highly favorable, but in very exceptional cases we have seen great deterioration after this period when hot weather and dryness continued for a long time. A repetition this season, of course, might be a possibility; but it is always the exception. The only really bad spot is Saskatchewan, with an acreage of more than one-half of the total planted in Canada. However, even there not all the fields are bad, but great dryness prevails in large sections in the Southern part and the results there might make quite a difference in the final Canadian yields. In the meantime most of the other two provinces are doing very nicely.

OVER

It appears to us that if the crop in the states comes through all right, much actual damage will have to take place in Canada in order to maintain present prices when the crop once moves, but meanwhile we might have crop scares, which would temporarily have a stimulating effect. In the meantime the movement probably will be an early and a large one, and stocks might accumulate very fast in July, which would have a tendency to gradually develop good carrying charges. Therefore, we always recommend when purchases are made to buy the most deferred futures, say December, and when sales are made to sell July or September, which ought to sell at a much bigger discount under Dedember, if our views are correct.

Primary receipts of wheat continue to be light, amounting to 145,000 bu compared with 421,000 bu last year. Stocks at Kansas-City, Duluth and Minneapolis show a decrease of 442,000 bu so far this week. We look for another decrease in the visible supply but hardly believe it will be as heavy as last year when the decrease amounted to 2,062,000 bu.

At the close July wheat showed an advance of 1¢ per bushel compared with yesterday.

During most of the session oats and rye continued to show weakness, influenced by liquidation and the excellent crop prospects, but recovered somewhat when wheat advanced.

Corn was firmer and higher, the scarcity of old corn making itself felt from time to time and new crop futures were affected sympathetically.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 5, 1937

The final yield on the acreage left standing for harvest in 1936 as 13.8 bu per acre. A yield such as this on this year's standing creage of 47,410,000 acres would make a crop of 654 million bu, or omewhat larger than the private estimates. With the improvement which ust have taken place since, and with the reports which we are receivng now from all over the country, many states predicting bumper crops, nd none of them very poor, can anyone imagine that the yields per acre his year will not be considerably larger than those of 1936, when weaher was exceptionally unfavorable? An average yield of 14.8 bu per cre, only 1 bu more than in 1936, would give us over 700 million bu. e, therefore, continue to be extremely optimistic as to the outcome f the total United States wheat crop. We shall require only very modrate results in the spring wheat states to produce a crop of 900 milion bu, which would give us an exportable surplus of 200 million bu, rovided we would permit our stocks to remain as low as they will be his year on the 1st of July. This would not be desirable, nor do we hink that any such large quantity could be disposed of unless Canada hould have a very poor crop.

There is nothing to justify any great alarm as yet in Canada, alhough it is generally conceded that Saskatchewan needs rain badly, and here is none predicted for the next twenty-four hours. However, we ind that the rainfall this year since April 1, or for two months, in his province was 1.85 in.compared with 2.52 in. normal, and 1.79 in. ast year. There is a partial offset as precipitation in Manitoba was xceptionally fine, being 4.61 in. since April 1 vs. 2.97 in. normal nd 1.74 in. last year. The province of Alberta had considerably less-.37 in. this season against 3.21 in. normal and 2.55 in. in 1936.

Cables were lower than due, Liverpool futures declining 1/4 to 1/2¢ er bu compared with yesterday. Export business is light at the present ime from Canada; and the United Kingdom, as well as continental importing nations, are probably waiting for the United States wheat crop to nove, when they can replenish their stocks probably to good advantage.

The weather map was exceedingly favorable, good rains having fallen in our Northwest. There was some precipitation in Alberta and Manitoba, out the dry district of Saskatchewan has again been missed.

There is a fair business going on just now in Chicago in old wheat. Sales were reported amounting to 66,000 bu and another charter for 185,000 bu was reported to have been made for shipment to Buffalo. The way it appears now the great bulk of the wheat which had been accumulated in the month of May for delivery will be disposed of before it comes into competition with new wheat. However, by that time a simultaneous movement might take place from Iowa, Illinois and Indiana, and we still look forward to a tremendous accumulation in this city by the elevators, which justifies the belief that there will be a good carrying charge from July to September, and later on there ought to be continued compensation for the elevators for carrying the wheat.

Primary receipts of wheat continue to be light, 184,000 bu compared with 291,000 bu last season. Stocks in Kansas City, Duluth and Minneapolis show a decrease for the week of 494,000 bu, and we look for a moderate decrease in the visible supply on Monday.

At the close there was a decline of 4 1/4¢ per bu for July wheat and 3 1/2¢ for September compared with the previous day.

Corn, oats and rye closed weak and lower in sympathy with wheat and the fine weather prevailing.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 7, 1937

Wheat cables were considerably lower today, Liverpool futures declining 2 3/4 to 4¢ per bu. This, however, was nothing but a reflection of the sharp break experienced here on Saturday.

We mentioned before that in all probability this season ours will become the more dominant market and foreigners will follow the leader. During the past season when the United States was an importer of wheat and not exporting, Europe, which is always importing, naturally looked for offers from Australia, Argentina and Canada for guidance. This coming season the United States might again become the second or third largest exporter, and therefore its influence will be felt all the time, and whenever there is the prospect of our cash wheat being offered at lower or higher values, it is bound to be reflected abroad.

We have come to this conclusion on the assumption that this year's combined winter and spring wheat crop might finally be 900 million bu, and with the most favorable weather might even reach 950 million bu, or 275 to 325 million bu more than the 1936 crop which amounted to 626 million bu. We think great optimism is justified because the weather during the last forty-eight hours had been extremely favorable. It is true that there were some reports about the discovery of rust in Nebraska and also in Texas and Oklahoma, as well as Kansas, but it is very exceptional that black rust reduces the yield very materially in the winter wheat states -- the danger of this disease is much greater in the spring wheat area, and while of course the possibility exists of its spreading, there is no reason for the assumption that it will actually occur to any large extent. It is more of a scare at the present time than anything else, and was helpful early to the price, which otherwise would have been considerably lower, as the rains in the spring wheat territory must be of inestimable value. While at this time of the year one cannot be absolutely positive about the final outcome of the crops, certainly farmers in general are very much pleased and very hopeful with this year's probable result.

World shipments continue to be larger than last year, amounting to 11,380,000 bu vs. 10,298,000 bu at that time. Prospects in the main for Europe are reasonably favorable. France authorized the exportation of about 1 million bu of wheat from the National Security stock, and we have to assume that such permission would not be given unless the crop outlook was promising.

The visible supply showed a very large decrease amounting to 2,110,000 bu and has now been reduced to 12,697,000 bu, which is less than one-half of the quantity in 1936. However, the old wheat situation is being justly ignored. At the present time it cannot make much difference whether the carryover will be somewhat more or less than was anticipated, provided the scarcity which had existed is over and that great plenty will take its place. This, of course, can only happen if there is no failure in Canada, and none is in sight at the present time, although we must admit that a large part of Saskatchewan is suffering from drought. The much better outlook in Manitoba and part of Alberta is only a partial offset because the acreages in those provinces are nothing compared to that in Saskatchewan.

Primary receipts of wheat today were only 258,000 bu against 530,000 bu last year, and Chicago stocks showed a v ery large decrease in one week, 912,000 bu, reducing same to 2,354,000 bu. Should this demand for the old wheat continue until the new wheat comes on the market, there will be little left to compete with new arrivals.

During the session wheat futures declined to new low points on this movement, and finally July wheat closed 5/8¢ lower and September wheat 1¢ compared with Saturday.

Corn, oats and rye all closed weak and lower, partly in sympathy with the decline in wheat, but also on account of the very favorable weather and fine crop outlook.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 8, 1937

The gold scare has subsided for the moment. Nothing has been peranently settled nor is there any change in the situation, which, to us, eans that the matter has only been delayed for solution. However, omething has been gained from the various official reassuring stateents, given in both this country and England, that no immediate reducion in the purchase price of gold is contemplated, and the pressure rom hoarders has been practically stopped. Nevertheless, further enagements of gold to this country continue, although in more moderate uantities. With the world gold production, outside of Russia, about billion dollars per annum, and still increasing, somebody will have to bsorb the heavy accumulations that will remain after a small percenage is used for arts, etc. It is most likely that the chief burden ill fall upon the United States, if we may judge from past experience. t the end of May, France, Switzerland and Belgium, according to the espective bank statements, possess less gold than they did at the end f 1936. The United States added $719,000,000 and the United Kingdom 70,000,000. The Bank of Netherlands gained $269,000,000 as Holland is lso considered a refuge and a safe haven for surplus funds for that ountry has profited so largely from the prosperity of its Colonies, rought about by the higher prices of various commodities in which they re largely interested.

However, monetary matters are being ignored now, as far as commodities are concerned, and at the present time wheat fluctuations are almost entirely influenced by weather conditions. We think it is generall recognized that up to the present time the crop outlook in the United States is extremely favorable and we rather anticipate that the government estimate, which will be given to the trade on Thursday, will confirm this view. There is some apprehension, however, that there is too much rain in the Southwest where harvesting has commenced. During the last twenty-four hours showers have been very general over all the Southwest and in portions of the central states, as well as in Montana. As a rule they were very moderate and temperatures were entirely satisfactory. Nevertheless, unsteady weather conditions prevail and the indications are for more rain in the central west and Southwest for tonight and Wednesday. Our own reports from Texas indicate that there will not be much threshing this week. The present weather is bound to affect the quality, also possibly there will be some loss in the quantity. Reports from Oklahoma are most optimistic, although it was raining practically all over the state. In southwest Oklahoma the harvest is in full blast and there might be some damage, but in the balance of the state the crop is not far enough advanced to suffer much. Before the rains set in the threshing returns, up to date, show yields better than expected. Therefore, even if we assume that there might be some moderate deterioration, yet the final yields of the winter wheat crop might be very large. Also, the weather in the spring wheat territory is ideal, and we still feel that in the long run the probabilities are for lower prices than those existing now -- when the crop moves in commercial quantities. After rain usually sunshine follows and this year may be no exception. As a general rule July is one of the driest months of the year.

The European situation must have improved greatly, judging from the great weakness in cables, and Liverpool futures declined 1 1/4 to 1 1/8¢ per bu. It is true that the July future, which declined so much, is largely a readjustment, as plentiful supplies seem to be assured now for the old crop season, and the new crop futures are adjusting themselves to North American conditions. Broomhall claims that stocks in the United Kingdom are now over 11 million bu, which is more than a year ago and two years ago, therefore indicates no scarcity and no necessity for buying ahead, as sufficient wheat is being offered daily from various countries to supply their needs.

There were no rains in Saskatchewan and of course that province will have to be visited by precipitation sooner or later else there will be deterioration in the Canadian crop. In the meantime, wheat sown in Alberta and Manitoba is getting along very nicely except in parts of the former province, but one good rain in Saskatchewan would be sufficient to make the outlook in Canada quite hopeful.

After an early decline, following the weak cables, market started on its upward turn without much resistance, trade in general appreciating that the decline was very sharp and a reaction was in order on the slightest excuse possible. We feel the advance has been sufficient,

(OVER)

and anticipate a fair movement in Oklahoma after a few days of sunshine, Prices are still way out of line with Liverpool, considering the high ocean freights existing at the present time.

At the close July wheat showed an advance of 3 1/8¢ per bu and September 2 1/8¢ compared with yesterday.

Corn, oats and rye all profited from the strength in wheat and closed higher. Corn receipts continue to be light and cash premiums are being well maintained, No. 2 yellow being 9 1/2 to 10¢ a bu. This does not make the sale of July corn very attractive unless very heavy importations would change this picture.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO June 9, 1937.

The world gold production, excluding Russia, for the first four months of this year, totaled 9,471,000 ounces, compared with 8,759,000 ounces in the1936 period. This is an increase of over eight per cent, and the increase in Russia probably was even greater, although no accurate information is available. In any case, gold production is increasing faster than gold consumption for arts, etc., meaning continued accumulations, and further engagements for shipments to this country from England on Monday and Tuesday of about $12,000,000 were made. It is quite evident that as long as we have to borrow money for our gold purchases, these accumulations cannot go on forever, and at some time or another some other solution will have to be found. In the meantime, we have the assurance of the Chancellor of the Exchequer in London, as well as the secretary of the Treasury here, that no reduction in the price of gold is contemplated now. We conclude from this that as far as any changes are concerned, the time has "not yet" arrived, and, therefore, anticipate no immediate effect of the momentary situation on grain prices.

Liverpool cables were very strong today, futures gaining 4 3/4 to 4 7/8¢ per bu for the day. Broomhall claims that Liverpool advanced in sympathy with our strength here and on account of the Canadian government report giving the Saskatchewan condition as being only 78 per cent, compared with 95 per cent this time last year. We, ourselves, were surprised that the condition in Saskatchewan was as high as that after all the alarming reports we heard about the great drought in the southern part of that province. While, by comparison, it looks bad, it should not be forgotten that the weather last season was extremely unfavorable after this period and from now on the contrary might happen. In fact, our weather forecast expects showers there during the next 24 hours, and this is also confirmed by a later official weather forecast from Canada. Of course, much will depend upon the amount of precipitation, but whatever there is will be very helpful.

As far as crop prospects in this country are concerned, we maintain that they are still highly favorable. The early threshing returns from both Oklahoma and Texas are surprisingly good and greatly exceed expectations. It is true that of late there was too much moisture in some parts of the southwest, but no serious damage is being claimed, certainly not as far as quantity is concerned, although the quality might be affected if rainy conditions continue. There are also some reports of black rust, but in almost every case, it is admitted that no great fear exists as far as damage to the winter wheat is concerned, although possibly unfavorable winds might cause the disease to spread to spring wheat. Lately, however, there were most wonderful rains in the Dakotas, as well as in Minnesota, making the crop outlook for spring wheat very favorable at the present time. We doubt whether much damage has been inflicted by black rust more than two or three times during the last 30 years. A moderate deterioration would not be very serious, considering the great promise existing at the present time for the combined winter and spring wheat crop. We appreciate, of course, that stocks everywhere are gradually being reduced to very low points, and Canada, as of June 3, had left only about 70,000,000 bu of old wheat which will have to last until August 1, or nine weeks. Assuming that exports would average 4,000,000 bushels a week, supplies there would be reduced to 34,000,000 bu, while the carryover the year before was 128,000,000 bu. In the United States, the visible supply will be one of the smallest except perhaps a year or two during the last 20 years, Chicago stocks, in public elevators, are only 1,861,000 bu, compared with 3,374,000 bu in 1936. All kinds of wheat are bringing big premiums, and sales from here are made daily while receipts are very light. Primary receipts were 279,000 bu and shipments were 551,000 bu. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 353,000 bu so far this week. However, this will all fall into great insignificance whenever the new crop starts to move in volume. Despite bad weather in Texas, Oklahoma and Kansas of late, Fort Worth received 121 cars of wheat today, Enid 40 cars and Wichita 50, of which the largest per centage is probably new wheat. This foreshadows a tremendous movement whenever weather conditions permit and between now and the end of July --about 50 days-- there might be one of the greatest movements, for this period, that we have ever experienced. This because the yield per acre is satisfactory to the farmer, the acreage is a very large one and the price seems attractive.

Our market opened considerably higher in sympathy with the strength at Liverpool and the heavy amount of rainfall overnight; but during the session calmer judgment prevailed and extreme advances could not hold, but the close was half cent per bushel higher for both July and September.

Corn and rye were both weak and lower. The trade is very much impressed with the wonderful growing weather.

Oats were steady. There is a continued demand for old oats and it will be some time before the new crop will come into competition with the old one.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
/ YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 10, 1937

The trade is anxiously awaiting the government estimates to
given out today after the close of the session. It is quite ap-
ent that the size of the wheat crop in this country will be most
ortant in shaping world values.

Up to June 7, Europe this year has imported 114 million bu more
at than in 1936 and ex-Europe took 11 million bu less; therefore,
roximate needs were 100 million bu more than the previous season
n supplies were abundant. With crops in Europe just about fair,
ther overabundant nor indicating any great failures, it is to be
umed that consumption will be about unchanged from 1936-37, but
ater than it had been in the depressed years. With the more or
s depleted stocks all over, were it not for the much larger yields
the United States, it would require very high prices to fill all
uirements.

Private experts estimated winter wheat yields would amount to
million bu. Inasmuch as the weather had been extremely favor-
e right after the figures were compiled, it is quite possible that
estimates to be given out this afternoon will be higher; but for
present, let us see what even 649 million bu as a June estimate
uld mean. It would equal the June estimate of 1931 and be larger
230 million bu than the average June estimate for the five years
om 1932-36 inclusive. The estimate in 1931 was 649 million bu,
the final crop turned out to be 821 million bu or 172 million bu
e. The average increase,for the last six years,over the June re-
t was 64 million bu, and leaving out the extraordinary year of
31, it was 43 million bu more. We, therefore, feel that unless
condition report today will be worse than we anticipate, a final
op of at least 700 million bu for winter wheat might be harvested;
with spring wheat conditions very promising up to date, 925 to
million bu for both may not be any too optimistic. This, of
rse, would give us a great excess over last year's yield of about
million bu, and a reduction in the carryover of about 50 million
would not be very severely felt.

As far as Canada is concerned, the outlook is less promising,
so far not at all discouraging. Manitoba was recently visited
copious rains, which however stopped short of the Saskatchewan
rder and afforded no relief to the great drought area. There is a
belt, including 40 per cent or more of the total Canadian acreage
ich is standing in immediate need of rain. Exclusive of this area
rything is satisfactory, and consequently a crop of 300 million
compared with 228 million bu last year is quite possible, which
ght be increased with propitious weather. The carryover in Canada
ght be 90 million bu less than on August 1, 1936, but approximate-
30 million bu were exported to the United States which will not
required this season, and therefore Canada may have as much wheat
spare for Europe as she did the past twelve months. As a final
nclusion, with Canada possibly clearing as much wheat and the United-
ates a great deal more, total supplies for European needs will be
erially larger. Later on Argentina and Australia will become
ry important, but it is too early to make any prediction for those
untries, except we already know that an effort is made to plant
much as possible, prices having been very satisfactory the last
ar. Under these circumstances it is only natural to assume that
everything turns out this way, the price level will be much lower
an during the year from which we are just emerging when we came
arer to a scarcity than for some time. We have overcome it, and
nty of wheat seems to be in sight now for the future.

Cables were weaker and Liverpool futures declined from 1 1/2 to
1/4¢ per bu. Cash demand abroad is poor at the present time.
ack sea shipments continue to be moderate, 976,000 bu, while nothing
s cleared last year. The Roumanian wheat crop is turning out
tisfactorily and crop reports from France and Hungary are more op-
nistic; also, there are no complaints from Russia.

(OVER)

During the session there was some talk of black rust in the spring wheat territory, coupled with a sharp advance at Minneapolis, which alarmed the trade here and a complete reversal of sentiment took place. One would have imagined that the whole spring wheat crop was already gone. As near as we can remember, the first year of great damage to the spring wheat crop, caused by black rust, occurred in 1904. At least until that time the disease was unknown. Since that period there has hardly been a year when at one time or another somebody has not sent wires from some spot reporting that black rust has been existent. In nine cases out of ten it does not amount to anything as they usually are just isolated cases. Possibly once in ten years black rust does real big damage. It is very early for black rust fears. Much, of course, will depend upon the weather; but so far we do not think there is any cause for any alarm whatsoever.

At the close the market showed an advance of 3/8¢ per bushel for both July and Sept. wheat.

Despite the great strength in wheat, corn and oats declined partly due to the wonderful growing weather.

Rye was lower for the nearby future, demand being very indifferent but further deferred futures closed a little higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 11, 1937

After the close of our session yesterday the U. S. Department of
riculture gave to the trade its estimate of both winter and spring
eat yields. They estimated the winter wheat crop as probably yield-
g 649 million bu, and the condition for spring wheat justifies a
ospect of 175 to 200 million bu, say approximately 190 million bu,
ich would give us a total production of 839 million bu. While this
mpares very favorably with last year when the total U. S. wheat crop
ountedto 626 million bu, it was rather a surprise, as the trade in
neral had expected higher figures for both crops. However, it should
taken into consideration that the weather since the first of June
s been exceptionally propitious everywhere, and, therefore, it is
ain surmised that final yields will be very much greater. We are con-
rmed in this belief when we read the Kansas official report of June 9,
ich reads as follows:

> "The rains were beneficial to wheat and all other crops, except that in some of the eastern counties, wheat that was too rank, especially on low ground, is lodging. In the western counties wheat not entirely ruined by prolonged dry weather made a noticeable improvement. Wheat harvest has begun with binders in the extreme southern counties of the middle third of the state and, if weather conditions are favorable, will start in from one to two weeks over the southeast quarter and in about three weeks in the northeast quarter. In the western part of the state wheat will not be ready to cut until near July 1. Oats in eastern Kansas are ripening almost as fastas wheat."

are also receiving many messages claiming that the weather is now
rfect for filling. It is nice and cool and it looks like yields
ll be very much better than expected when threshing starts.

In analyzing the report we find that estimates were lower chief-
for Kansas by almost 20 million bu compared with the May report;
d also some slight changes downward for Oklahoma and Texas. But the
ft winter wheat states almostmake up for this deficiency, and Ohio,
diana and Illinois, as well as Missouri, promise bumper crops--
out 44 million bu more than in 1936.
are particularly impressed with the estimates for Illinois and
diana of 83 million bu vs. 67 million bu last season, or approximate-
15 million bu additional. This is highly important in view of the
ct that the wheat raised in these two states is tributary to Chicago,
d if there is not a big offset in heavy shipments, there are bound to
great accumulations here, which in turn might make heavy carrying
arges. Missouri also should not be overlooked, and in many years
rt of its surplus came to this city. As a general rule, owing to
re favorable freight rates, the Southwest is in a better position for
port business than this city; and at least during the early months of
is year in all probability most foreign needs will be supplied from
xas and Oklahoma before Chicago gets a chance.

A report from Amarillo, Texas, states tpday that harvest will be
der full swing on the South Plains by June 25, barring unfavorable
ather. It is therefore quite evident that the time is soon approach-
g when heavy hedging sales will have to be absorbed and new buyers
ll be needed to take care of the accumulations. This will be some-
at different from the experiences of the last few years, when crops
re very short, practically less than the normal consumption, and
en the actual demand was almost sufficient to take care of the ar-
vals.

Cables were very strong early, showing a heavy advance, being
rgely influenced by the lack of moisture in Saskatchewan and the low
timate on part of the government on spring wheat. This occurred
spite the fact that the demand at the present time is on the decline
d arrivals sufficient for all needs. Smaller world shipments are
pected on Monday. Argentina cleared 1,181,000 bu vs. 936,000 bu

(OVER)

last season, and Australia 2,285,000 bu against 1,252,000 bu. A recession abroad took place very quickly when it was found out that our market would not follow, and futures at Liverpool declined 1/8¢ for July and gained only 3/4¢ for December compared with yesterday.

Here the trade was very much puzzled and fluctuations were many and rapid. All eyes are turned on Saskatchewan. There were rains in Manitoba and Alberta, but as these provinces are already reasonably well supplied with moisture, not much attention is being paid to the weather there. Everyone figures that with the largest acreage in Saskatchewan the final outturn in that province will become a very important factor in shaping wheat values. During the session it was reported at one time that there was sprinkling there and weather forecasters expect showers during the next twenty-four hours. However, precipitation will have to be more than that to satisfy any nervous short, and almost the first question when one comes to the office in the morning is: "Were there any rains in Saskatchewan?" We ourselves do not want to forget that we are on the eve of a very heavy movement and if it materializes it will be a great offset against a moderate decline in the outlook for Saskatchewan, at least during the early period when this takes place.

Primary receipts so far are still light, 291,000 bu compared with 229,000 bu last year. However, interior points, despite bad weather are showing up very well. Fort Worth receiving 84 cars against 32 cars last year, Enid 31 cars vs. 12, Wichita 33 cars vs. 10, Hutchinson 21 cars vs. 15 and Salina 26 cars vs. 17 cars last year.

At the close July wheat was 1 3/8¢ lower.

July corn keeps comparatively strong. The demand is still good and lots of it will be shipped out of Chicago, decreasing stocks here still further. Premiums for No. 2 yellow corn are still 6 1/2 to 7 over. However, the new crop futures price cannot be lifted easily while the weather remains so favorable. This also refers to oats and rye.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
:HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 12, 1937.

Sentiment after the close last night turned somewhat more bearsh in view of the fact that there had been rains in Canada and more ere forecast. Fairly good showers are now reported as having ocurred in Montana, the Dakotas, Minnesota and some in the Canadian rovinces, although the rainfall was heaviest in portions of Montana nd probably lightest in Saskatchewan, covering only west and central ections. Inany event Liverpool quotations were quite weak, closng at a decline of 2 1/2 to 2 5/8¢ per bu, and this brought about urther liquidation, despite the fact that first prices in Winnipeg ere rather firm.

As far as Canada is concerned, there is no pressure up there yet, nd in fact, with eight weeks until August 1, if exports from that ountry should average 4 million bu per week, the carryover will be educed to about 35 million bu compared with 128 million bu the preious year.

The encouraging feature in this country was the clearing weather n the Southwest, with a good wind blowing over many parts of klahoma, drying the fields, and this will probably result in harvestng operations later in the day. In spite of the fact that the overnment has reduced estimates in Oklahoma, Texas and Kansas, we re inclined to believe that final results will be better than are ow indicated. In Kansas, for instance, with a condition of 59 per ent, it is now estimated that only 142 million bu of wheat will be arvested. On basis of the acreage this would only amount to 10 1/2 u per acre, which in our opinion is low, as many districts are so romising, and think that with favorable weather from now on they ight harvest in places as much as 15 to 25 bu per acre, and thereore we regard the present estimate as being overly conservative.

The market was quite susceptible to selling orders, owing to he fact that during the last few sessions a great many shorts had overed when rust scares had been heralded. Furthermore a report rom the agricultural statistician at Fargo, North Dakota, claimed hat late May and early June rains covered all of the state of orth Dakota with the exception of the northwest corner, and that ithin ten days' time the critical situation had been reversed. He ent on to say that abundant rains supplied sufficient moisture to ssure an excellent growth and enabled planting of considerable orage for winter feeding.

We also had some interesting figures fromthe Southwest in regard o temperatures. A message from Kansas City claimed that the verage temperature for the first ten days in June a year ago was 1 degrees above normal and for this year 35 degrees below normal; year ago on the 9th of June temperatures at noon had been registerd 98 degrees; on the 10th, 74 degrees; and on the 15th, 103 degrees, nd then it became warmer each day. As contrasted to this the temerature the day before yesterday was down to 63 degrees and yesterlay was just as cool. Therefore, it was regarded as wonderful fillng weather.

Primary receipts today were moderate at 265,000 bu, which compares with 184,000 bu last week, and 335,000 last year. However, eceipts in Texas points are running fairly large for this time of he year. We expect that with normal weather there should be an arly and large movement to market. So far this week stocks at ansas City, Duluth and Minneapolis show a decrease of 644,000 bu.

Weather indications are for showers over the Northwest tonight nd Sunday; for Nebraska, Kansas and Oklahoma it will probably be air in the western portion, although showers are likely in the astern. As for the central states, precipitation will probably ake place tomorrow, and the latter seems to be ideal for Illinois, ndiana and Iowa, where very large yields are almost a certainty.

At the last July wheat showed a decline of 2 3/4¢ per bu, with eptember also losing 2 5/8¢ per bu since yesterday's close.

Corn was weak, probably influenced by the break in the leading ereal. The same is also true of rye and oats.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 14, 1937

World shipments of wheat this week were slightly under 10 llion bu, or much the same as last year. However, the amount on ean passage has been steadily decreasing from the high point, with ly 38 million bu afloat now compared with 31 million bu last year. expect that the Southern Hemisphere will be less of a factor from v on, and of course, with this country promising big yields there every reason to feel that the United States will shortly be called on to export wheat to Europe.

According to the last government report, the combined winter l spring wheat crops might total 850 million bu, and this of course the largest since 1931-32, when we raised 942 million bu. In that ar we exported 126 million bu, but the carryover then was about ree times ax large as it will probably be this year on July 1st.

Strength in Liverpool was due to an intense heat wave which s reported in Poland, Hungary and Germany, and this was thought sponsible for hastening maturity of the crops and possibly causing ne shrivelling of the wheat berry. As a result July wheat on the ner side closed 3/8¢ per bu higher, while the more distant months re fractionally lower in sympathy with declines on Saturday both re and at Winnipeg.

Our market started somewhat higher, but it seems that a great ny people had made trips into the country over the week-end and ose who had traveled into central and southern Illinois came back th very glowing reports not only on wheat, but also as to the ospects of the oat, rye and corn conditions, so that despite comratively firm cables, more attention was paid to our domestic news. kewise, weather over most sections of the Southwest was dry and we lieve that harvesting operations will make good headway if weather nditions are favorable. We still feel that the early movement in cas and Oklahoma suggests a better crop than the last government gures would indicate. Taking winter wheat as a whole the estimate 13.7 bu per acre is rather disappointing in comparison with an erage of 15.2 per acre for the years 1923 to 1932; and in fact, the esent indicated yield would actually be a shade lower than it was ring 1936, when in our opinion crop prospects were much less favorle than they are today, with some Oklahoma points claiming 20 to 25 shels per acre.

Our Senior, who is meeting with several important millers in soft winter wheat territory, has just advised us that a very opnistic feeling exists in those territories, and they are looking rward to more than satisfactory yields. In view of this we anticite large and early accumulations of wheat in Chicago, which will obably mean widening of carrying charges, and also considerable essure when the movement is on in earnest. On the other hand, should ropean crops be disappointing and with small carryovers from past ars, we look forward to some support, which this market has lacked for the past four years; therefore extreme weakness will at times checked.

The stock market today was very weak; not only was it labor uble that caused liquidation, but we believe apprehension over contions in France. The French bank rate was advanced to 6 per cent, l call money to 7 per cent. Should anything happen over there that ald disturb the tripartite arrangement between France, England and United States it might go so far as to affect the gold policy in is country. But even without this unusual disturbance the amount gold in the sterilized account is rising almost daily, and at the esent time there are 912 million dollars segregated. Therefore it hooves grain traders to bear this in mind in the event that the ench situation might become more critical.

(O V E R)

At times there were rust scares, and some of the experts analyzed the situation, but we are not inclined to look for any seriou reductions from this source in view of our own reports up to the present time.

The visible supply of wheat decreased quite heavily this week-1,952,000 bu, and total stocks are only 10,745,000 bu, but in view of the phenomenal yields which might take place in some of the soft winter wheat belt states we look to see an entirely different situation within a few weeks.

Primary receipts today were quite reasonable at 501,000 bu compared with 477,000 last year. Car-lot receipts in the earliest districts are improving, with Fort Worth reporting 288 cars, which we presume is mostly new wheat; Amarillo had 86 cars today versus 23 car a year ago; even in Chicago receipts there were included 15 cars of new wheat apparently shipped from the Southwest.

Owing to the fact that Saskatchewan was still dry the Winnipeg market was very strong, and this finally had its influence here, with July wheat advancing 1 3/8¢ per bu, while September wheat closed 1 1/4 per bu higher.

At times corn was very weak, the cash trading basis was lower and with the good prospects traders are not quite as sure of themselves. On the other hand the visible supply is only about 4 million bu, and therefore there can be no great pressure on this market except as longs liquidate from time to time.

There was no great feature in rye, or in oats, although these cereals derived some benefits from the higher wheat prices.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 15, 1937.

Liverpool cables showed extreme strength today, the futures advancing from 3 1/2 to 4¢ per bu. We believe the firmness abroad was almost entirely caused by fears of crop damage in southern Saskatchewan because there is no change in the European crop prospects, and, in the main, we consider that as reasonably favorable. Beneficial rains recently relieved the dry sections in Russia and the outlook is reported favorable. It certainly looks as if that country would produce a very much larger crop this year than for many seasons. Whether it will be sufficient to permit an export business, with an ever-increasing population and with the increased per capita consumption, is difficult to tell, but at least it remains a possibility provided the price level should be attractive. The Balkan states, which raised a bumper crop last season, are not quite as good this year but probably will have yields above the five-year average. France may produce up to 10 per cent more than last year which with the very favorable crop outlook in her colonies (their crops were very bad in 1936) will probably be nearly sufficient for her wants. Germany and Italy promise fair crops and probably will have to be importers again, possibly not as large as this year because great economies will be practiced and also the rye crop outlook is very favorable; this cereal may be largely substituted in many places for wheat. However, Canada and the United States will remain the dominant factor in the price making of the world wheat. There is no denying that the outlook for Canada is deteriorating inasmuch as about 40 per cent of the acreage, mostly in Saskatchewan, is in very bad shape and great fears are entertained that unless rain visits this territory in a very short time the prospects for yields will be very poor and some of the acreage might even become entirely worthless. As a partial offset are the wonderful prospects in Manitoba, which, however, has only a small acreage, and part of Alberta, but the best yield there cannot anywhere near offset the damage in Saskatchewan. At present a large crop is almost impossible; a fair crop is still probable; a poor one remains a possibility. So much depends upon weather conditions from now on and they are being closely watched. The weather at the present time is unfavorable --being rather hot-- and there is no precipitation in sight. This naturally will affect the Canadian market even more than ours and the advance there was greater than here.

As far as the United States is concerned, it is safe to consider that the winter wheat crop is practically made except where damage might still occur on account of possible rust. Without rust damage we consider it safe to figure on the United States' winter yields being around 700 million bu; and possibly a great deal more. There are instances on record where June forecasts were raised considerably more, and this seems to be one of the seasons when the weather was rather favorable after the Agricultural Department reported its estimates; they concluded the prospects to be around 649 million bu. There were very heavy rains again in many states, where they are not wanted, and the effect will be that the harvest movement will be delayed, and also this may damage the quality, but we do not think it will reduce the quantity very materially, if any at all.

As far as the rust is concerned, it is most exceptional that it will do much damage to winter wheat but continued favorable weather for the development of this disease may make this an exceptional year, and the results, therefore, will have to be watched. With normal weather from now on we expect a very heavy movement and some hedging sales, which will be a partial offset against any heavy speculative commitments. We still believe that there will be great accumulations at all terminal markets and there is nothing in sight to assume at the present time that this will be another scarcity year such as we had last season, and therefore do not believe that very exorbitant prices are in the making.

The question naturally arises as to how much the present prices have discounted the situation. During the 11 1/2 months up to yesterday, total exports from North America were 183 million bu, and the year before 182 million bu; so we assume that they will not exceed 190

(OVER)

million bu for the twelve months this year. If for the coming season they would not be more, this quantity probably could be furnished by the United States alone, and would permit us the same carryover as we had on July 1st this season. This is on the assumption that the United States wheat crop will be about 850 million bu. However, at the present time the outlook is for a very much larger quantity.

Crop prospects in the Northwest have greatly improved, and at this time the crop looks better than for the past five years; even the worst districts have staged a wonderful comeback, and in many parts nothing better could be desired. Also the soil conditions are very fine, and while at this time of the year it is always possible that damage might occur afterwards and that rust might reduce the yields, there is nothing in sight to anticipate it but fears. In spite of the bad weather the movement is enlarging; primary receipts today were 433,000 bu compared with 282,000 a year ago. There are some minor hedging sales taking place now, but not in sufficient volume so as to offset the new buying which is coming in the market on account of the late adverse conditions. However, it is well to bear in mind that the period for heavy hedging sales, weather permitting, is very close at hand.

At the close the market showed an advance of 3 3/4¢ per bu for the July future and 3 5/8¢ for the September.

Old corn futures kept comparatively firm, but it is difficult to boost December corn on account of the very favorable prospects. This also holds true of oats. Rye crop prospects are excellent, but yet this cereal advanced almost entirely in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
IEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 16, 1937

Liverpool cables were extremely strong again, their wheat futures
dvancing 4 1/4 to 4 1/2¢ per bu; and when it is taken into considera-
ion that yesterday's advance was also very sharp, the total gain for
wo days is quite sensational. It is surprising, therefore, that un-
er the circumstances it was not accompanied by heavy buying orders
or the cash wheat; either for the new one in the United States or from
anada, although a moderate business was reported there, but nothing
t all out of the ordinary. English millers particularly seem to be
ery indifferent, pursuing a hand to mouth policy.

This confirms our previously formed opinion that importing nations
his coming season would not require an extraordinarily large amount of
heat for their needs. Of course they will take a great deal more than
n the season 1935-36 when total importations of all countries, both
uropean and ex-European, were only 439 million bu. So far this year
hey were 549 million bu, so we presume that for the whole twelve months
hey will probably be in the neighborhood of 570 million bu. On our
wn calculations we figure that this amount will not be exceeded dur-
ng the next twelve months. We take it for granted that the United
ingdom probably will take the same amount as usual; France probably
ith better prospects, including what she receives from her colonies,
ill be a very indifferent buyer; financial conditions in Germany and
taly are such that they will try to get along with the least amount
ossible; Spain probably will take more, because undoubtedly she will
e hampered with agriculture and also with an increased consumption,
hich always takes place when a country is involved in warfare. There
s no reason to anticipate heavier takings from the northern countries,
r from the smaller countries, such as Switzerland, Belgium, Holland,
tc. Requirements from ex-Europe are usually very moderate when the
rice is high.

Should this view be correct almost one-half of the world require-
ents, or from 250 million bu upwards could be obtained from the
outhern Hemisphere, provided they raise a normal crop, and the balance
ill be no strain on North America, particularly as the Danubian prov-
nces and sundry other countries including India will be able to fur-
ish some wheat. This even if Russia, which always is a doubtful fac-
or, would not also come into line as an exporter.

We still assume that the United States might easily raise 900 mil-
ion bu unless some misfortune befalls the spring wheat crop, which
ould mean approximately 225 million bu for export, and leave the same
arryover as this season.

For Canada, we figure that the present outlook for Manitoba and
lberta is possibly 162 million bu, and figuring on 18 million bu of
inter wheat to be raised, she would have 180 million bu without a bu-
hel from Saskatchewan, and we do not care to make any estimate at the
resent time on what that province could raise. We know the southern
art is very bad, but even at the worst this province might come through
ith a very fair quantity in the better districts and the total acreage
s extremely large.

In conclusion we feel that the world will not have to contend with
uch a scarcity as it did last year; therefore, the price level should
e lower than it was then.

As far as our domestic situation is concerned, we think it is
bout the first time in three or four years we can report that wheat
reas now in need of moisture are almost negligible, and all that is
anted for the best development, particularly for the winter wheat, is
unshine and dryness. To expect this in the summer time is only to
igure on what normally happens. July and August are usually the dri-
st months of the growing period, and anybody who enters into a specu-
ation expecting the contrary and suffers losses has nobody to blame
ut himself; the odds against him are very great. This, of course, is

(OVER)

taken as a long-time view, as at the moment one has to figure with human nature, and this continued dryness in Saskatchewan is gradually getting on the nerves of many traders and for the time being they do not look at the picture as a whole.

Therefore early today when there were no rains reported in Canada and too much moisture in the Southwest our wheat market opened considerably higher. Predictions for Canada are also not very favorable, but there is a possibility of some light showers. The weather in our Southwest is improving, and clearing in Oklahoma where rainfall was very heavy and where with favorable conditions a big movement would be in sight now. It is surprising that receipts in the Southwest are as big as they are, considering the delay caused by precipitation. Wichita had 111 cars today versus 33 last year; Hutchinson 25 versus 9; Fort Worth 228 cars versus 14; Enid 113 compared with 99 a year ago. It is seldom that we have been in error when we assumed that an early and heavy movement indicates a large crop and vice versa.

The primary movement is also very much larger than in 1936, today's receipts being 562,000 bu compared with 208,000 bu. So far this week Kansas City and Duluth stocks show only a small decrease, 185,000 bu.

Unless there should be any deterioration from the present good spring wheat prospects, or further delay in the harvest, we believe in another week or ten days the movement of new wheat to terminal markets will be the most important factor. By that time hedging sales will become quite large, and increase as the harvest moves north.

There was quite heavy realizing today, and at the close July and September wheat showed a decline of 1¢ per bu compared with yesterday.

Corn was particularly weak for the old crop futures. This despite the fact that so far it has been very difficult to accumulate any large stocks. Both oats and rye suffered in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 17, 1937.

Liverpool cables were quite strong early, registering a further advance from the rise of the last two days. However shortly before their close, their futures declined very sharply --about 3 1/4¢ per bu compared with yesterday. Both the early strength and the late decline were due to North American news. No rains had been expected for Canada, but unexpectedly all three provinces were visited with showers, including the important province of Saskatchewan. The rainfall was very moderate with the exception of a few places, but the weather forecast is quite favorable for more precipitation today and tomorrow. This naturally was reflected in the price, and immediately quite heavy ealizing sales took place during the session, probably more short commitments.

There was also great encouragement in the news from the Southwest. With very few exceptions the weather has turned dry and propitious for harvesting operations both in Oklahoma and Texas. The prediction is also for fair weather. So we may assume that large crops from those states will come on the market before long in large commercial quantities.

In the meantime receipts at interior southwestern points are exceedingly large for the time of the season. While it is too much work to find out whether they had ever been so big during the last twenty to thirty years, we doubt whether this was ever the case, particularly when it is considered that there is no old wheat left, and that the receipts must all be coming from the new crop. Fort Worth received today 220 cars, Enid 145, Wichita 155, Hutchinson 32, and Salina 19 --a total of 571 cars compared with only 178 last year. The primary movement is also big, 776,000 bu versus 383,000 a year ago. Included in these receipts are 392,000 bu received at Kansas City, thus showing that Kansas City alone received today more wheat than all primary points in 1936.

We have seldom been very wrong in drawing proper conclusions from the first movement: namely, when the test weight of the wheat is high and farmers are liberal sellers it usually indicates that their harvest turned out satisfactorily and that yields are big. Of course so far the arrivals are all coming from a very limited territory, even as far as Texas and Oklahoma are concerned the wheat is coming from only certain sections. Further observations will be needed to come to positive conclusions, but so far there are no exceptions to the universal reports that yields are way above expectation. Therefore, we feel that we are fully justified in our often expressed opinion that the winter wheat crop in all likelihood will be a very large one; this in spite of continued fears still being expressed by some regarding the possible damage due to black rust. Even the most pessimistic reports admit that a very large percentage of the crops in Kansas and Nebraska is too far advanced for any damage. The state in most danger probably would be Nebraska, and yet a party writes us as follows: "In all my travels this week I heard nothing of black rust. I did not look at any fields, but talked to a lot of farmers on the way, and they do not seem to think there is anything to be alarmed about." He incidently mentions that in certain territories farmers now are talking of at least 25 bushels of wheat per acre, and with perfect weather from now on they might easily yield 40 bu per acre, but they all seem to think that 20 to 25 bushels a practical certainty.

As far as Canada is concerned, the Searle Grain Co. of Winnipeg, gave a very comprehensive report yesterday after the close of our session about present prospects. They gave the condition in Alberta as 79, Saskatchewan 57, and Manitoba 100. This is very much worse than last year same period. However, then the crop continually deteriorated after this period, and their final report was only 10 bu per acre for Alberta, 8 for Saskatchewan and 11 bu for Manitoba. Assuming that the final condition should not be any wose, at the end of the season we figure that they might raise 103 million bu in Alberta, 135 million in Saskatchewan and 43 million bu in Manitoba, and including the soft winter wheat a 300 million bu crop would be possible, or better

(O V E R)

or worse according to the weather from nowon..

Europe still remains a very indifferent buyer for cash wheat, It is quite possible that we will create an accumulation here before long, which will compel us to find an outlet before Europe will be forced to bid actively for the grain. A slight help to Europe are shipments now from India, where the new crop is coming on the market; this week she cleared 1,600,000 bu which is the largest shipment in about ten years.

During the first hour of the session both the wheat and the stock market were very much depressed, but when later on there were some rumors favorable for a mediation of the labor strike stocks advanced very sharply, and wheat sympathised.. The trade is rather nervous, watching every bit of news regarding the weather, and while this lasts it is impossible to predict daily fluctuations. There is no balance wheel as long as such a small amount of wheat is hedged, but this will change in a very short time, in our opinion. Then it will have to be seen whether there will be enough buyers either for the actual wheat or for future delivery to absorb the movement.

At the close our July wheat was about unchanged, while the September was 3/8¢ per bu higher than yesterday.

Corn and oats closed higher; the first cereal particularly has many more friends now on the decline on the assumption that corn will remain a scarce article until the new crop is available.

Rye was rather weak at times, and prospects are exceedingly favorable. No doubt we shall raise a great deal more this year than we will need for domestic consumption.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 18, 1937.

The one dry spot in the great wheat area of North America: namely, the Canadian province of Saskatchewan, has been partially favored with precipitation during the last twenty-four hours. This province is so large, and as the rain has not been quite general, it is somewhat difficult to figure from here just how much benefit the growing plant will receive. However some reports state that various points in the Southeast, which had been hardest hit by drought, were favored with rain, and as much as 2 inches had fallen at some places and 1 inch at others. This was the first good precipitation in parts of southern Saskatchewan for a long while, and while some spots were again missed we are under the impression that it will be of inestimable value to many farmers. This at least must have been the view of those who are closer to the scene, as the Winnipeg market was extremely weak at the opening, and even though there was some recovery, the decline for the day on the new-crop future, October, amounted to 1 1/8¢ per bu compared with yesterday.

Inasmuch as weather in the Southwest had been clear and moderately warm, just what is desired, the weather map was construed as absolutely ideal, and traders took cognizance of this changed condition immediately, bringing about declines, and at the close July and September wheat were 1 1/4¢ per bu lower compared with the previous day.

The Liverpool wheat market was equally affected, futures declining 1¢ to 2 1/8¢ per bu. Europe is watching the situation so intensely that we have innumerable requests from Liverpool merchants to advise them immediately of any change in the weather outlook in Saskatchewan, and others no doubt are likewise instructed, confirming that the greatest importance is attached to the outcome of the Canadian crop.

At this early stage of course nobody is in a position to make estimates with any degree of certainty which might not have to be changed materially later on, depending upon what kind of weather will follow. We know pretty positively that the carryover probably will be approximately 100 million bu less than it was on August 1, 1936, as the remaining supplies for export are about 48 million bu, of which about 18 million bu might be cleared by August 1, so there will be about 30 million bu left compared with 128 million bu last season. Therefore, in order for Canada to export as much wheat as last year when her crop was 228 million bu, she would have to raise 335 million bu, her consumption being about 105 million bu. It is not likely from the present outlook that this figure can be reached, nor is it to be assumed that it will be needed, as this year the United States will likely compete, and Canada will also be deprived of a good customer, having shipped 30 million bu to the United States, which will not be needed this year.

With world exports from all countries during the 1936-37 season of about 570 million bu, we hardly think that they will be exceeded this coming year, as both France and Italy have a better outlook and the United Kingdom probably will only take the same quantity. Assuming then that the Southern Hemisphere and other countries will ship about as much, all of North America might not be called upon to furnish more than 190 million bu, same as this season. And the question arises, "How much can the United States furnish?" Based on the last government report a crop of 825 to 850 million bu for both winter and spring wheat would probably give us an exportable surplus of 175 million bu. However, in the meantime threshing returns are so excellent that we think this figure will have to be raised considerably, but how much it is difficult to tell until we hear from other states where harvesting has not yet commenced. From Oklahoma we have reports this morning that yields are from 5 to 7 bu per acre more than was expected. We are not very hopeful that the same reports will come from Kansas, as the western part must have suffered greatly, despite some relief lately; but there might be a

(O V E R)

repetition of those bumper yields from Missouri, Illinois and Ohio, etc., so altogether we are very optimistic yet as to the final outcome of the winter wheat crop. As far as spring wheat is concerned, it could not be much improved upon at the present time. Of course, we are fully prepared that we shall hear of black rust reports, because hardly a season ends without somebody discovering it at one time or another and as it is a very devastating disease it always causes great scares; but unless weather conditions are unfavorable, there is no reason to assume now that great actual black rust damage is bound to occur.

In the meantime Europe is only buying from hand to mouth and is getting fair supplies, Argentine shipments being 1,552,000 bu against 190,000 bu last year, with Australia having shipped 2,104,000 bu compared with 1,865,000 bu, so that with India and the Danubian provinces, as well as Argentina, contributing, supplies probably will be sufficient for weekly needs.

Meanwhile, the movement here is quite heavy considering it is early in the season; and to mention only a few large points, Kansas City received 158 cars versus 104 last year; Enid, 172 vs. 136; Wichita,166 vs 90; and Fort Worth 225 vs. 34 in 1936.

At times the great strength in corn was quite a help to wheat; furthermore there is no great balance wheel yet as hedging sales are at a minimum, but they will increase steadily and will be heavy probably in about two weeks.

Primary receipts were 640,000 bu compared with only 456,000 bu a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 640,000 bu, indicating another decrease in the visible supply on Monday; this possibly might be the last one for sometime, as receipts ought to increase heavily next week.

The very small stocksof corn with only moderate arrivals and a good demand bring about advances easily in the nearby futures butthere is not the same confidence in the price of December corn as crop prospects still continue to be quite favorable.

Oats are more or less neglected, and with the excellent prospects for the rye crop there is not much enthusiasm on the buying side.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 19, 1937.

The overnight wheat news was construed as being rather detrimental to the price level. Liverpool cables were weaker than due, little attention having been paid to the late advance in Winnipeg after their market had closed. Final prices at Liverpool showed a decline of 1/4¢ per bu for the July future and a gain of 1/4 to 1/2¢ on the deferred months.

The weather in our Southwest was almost perfect, being very dry; consequently, harvesting operations can take place now on an enlarged scale in Oklahoma and Texas. While there was no further rain reported in Canada, except in Manitoba, the early weather prediction was rather favorable for some precipitation during the next 24 to 48 hours in Saskatchewan, which province still remains the most important, even assuming that four or five million acres are more or less beyond redemption. There is still a great possibility of much improvement in the northern part of that province, and many acres in Saskatchewan must have profited from the beneficial rains which had fallen yesterday.

Reports in the United States from almost every state are most glowing with the possible exception of Kansas, which state apparently has not improved like the others. The Association of Kansas Millers at a meeting at Wichita places the Kansas wheat crop at 146 to 150 million bu, which would compare with the June estimate by the government of 142 million bu; no allowance is being made for possible rust damage, but nobody can estimate just what this might be, and only the future will tell. However on the other hand, we hear the most glowing reports about yields in Oklahoma, many reporting from 20 bu per acre upwards, and the acreage left standing for harvest is probably the largest ever--about 4 1/2 million. Of course we may hear of much smaller yields later on from the western part which is not so far advanced, but yet we believe the final outcome will be very much better than the 48 million bushels estimated by the Agricultural Department. We also believe that within a week or two when threshing returns are reported from Illinois, Indiana, Ohio, Iowa, and Missouri that they will be better than previously estimated. No complaints are coming from anywhere.

In the meantime interior receipts are growing daily, and today amounted to 71 cars at Amarillo, 283 at Fort Worth, 219 at Wichita, and 136 at Hutchinson, or a total of 709 cars at these few places. Some optimists think that Kansas City might have over 300 cars next Monday. For the present hedging pressure is not on a sufficient scale to cause any great pressure, and millers, particularly in the Northwest, are absorbing a large share of the arrivals. However the movement is bound to grow, and within about two weeks it will not be confined to Texas and Oklahoma, but all the middle states, as well as Kansas and Missouri, will ship new wheat to terminal points. By that time we shall need a much better demand or else have to figure on heavy accumulations at terminal markets. Our own consumption does not vary much from year to year, and an additional demand could only come from larger export sales, but Europe continues to pursue a hand-to-mouth policy; their own crops justify the belief that their requirements might possibly be less than during the past season, as France figures on being independent, Italy might have overbought temporarily, as she laid in large supplies on possible war fears, and optimists think she might raise 50 million bu more than she did in 1936.

During the last hour of the session late reports from Saskatchewan held out no hopes for rain within the next 24 hours, which firmed up the Winnipeg market and had a steadying influence here at times, but could not hold.

Primary receipts were 540,000 bu, which was larger than last week when they were 265,000 bu, but a trifle smaller than a year ago when they amounted to 568,000 bu. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 773,000 bu, indicating another decrease in the visible supply on Monday, last year the decrease amounted to 358,000 bu.

At the close July wheat showed a decline of 1 3/4¢ per bu, and September 2 1/4¢ compared with yesterday.

Corn, oats and rye were all weak and lower, partly in sympathy with wheat, but also on account of the continued favorable weather and good crop prospects. We feel that July corn in a way is in a different position from the other cereals, as stocks everywhere are very small, the visible supply last Monday being only a little over 4 million bu. While Chicago stocks were 1,064,000 bu they no doubt included lots of Argentine corn which is not deliverable on contracts. The open interest is still over 11 million bu, and the outlook for accumulations or heavy deliveries is not very good.

UHLMANN GRAIN CO.

DAILY MARKET LETTER.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 21, 1937.

Liverpool wheat cables showed a moderately strong undertone before our session opened, futures there closing at an advance of 1/4 to 3/4¢ per bu. But this all happened before the great strength in North American markets had developed, so it is fair to assume that they will come much higher tomorrow after they are better acquainted with the rust scare reports here during the last forty-eight hours.

A great deal of bullish news was circulated today, starting with dry weather in Canada and no precipitation in Saskatchewan, where rain is badly needed and where the absence of it will reduce the crop prospects daily. A great many Kansas City people made Sunday trips and reported black rust infection in the territory near that city. Crop experts also visited North Dakota with the same result, claiming that signs of black rust have appeared. There is no wheat disease except possible continued drought which excites traders as much as the appearance of black rust. It is true that it may be discovered almost every year and in most cases it disappears before there is great harm done; but yet, there are a few seasons on record where the disease spread like cholera, creating great damage in a comparatively short time. It, therefore, can easily be explained why there was a simultaneous change in the psychology of many traders, turning from the bear to the bull side, buying large quantities, and this had an immediate and decided effect upon the price level. Whenever the market acts in such a way as to lend credence to bad reports, it creates new followers and in this way there was continued strength not only in Chicago, but also in Kansas City, Minneapolis, as well as Winnipeg, with but few reactions, and at the close the market advanced the full allowable limit of 5¢ per bu.

There were some offsets to these alarming reports: namely, from the few isolated points where harvesting has commenced and where actual threshing returns are possible, some very large yields were reported. This refers to Texas, Oklahoma and a few points in Kansas. Furthermore, the weather was extremely favorable for the harvest all over the Southwest, and receipts of new wheat for the time of the year were very big, thus indicating that in another ten days when many more states join the procession and harvest their wheat, the movement might be quite large. Receipts at Fort Worth were today, 373 cars vs 23 cars last year; Enid 787 vs. 236; Wichita 445 vs. 220, Hutchinson 41 vs 55 and Salina 56 vs 33, a total of 1,702,~~000~~ cars vs 567 in 1936. Primary receipts were also large, 1,419,000 bu compared with 1,003,000 bu the previous season.

The export demand remains very poor, not only very little Canadian wheat was purchased overnight, but hard wheat, which is being offered at the Gulf at very low premiums, is not being absorbed abroad in large quantities. English millers seem to continue to buy from hand to mouth. Whether in view of the North American news they will become alarmed and change their policy remains to be seen. For the present, however, they are willing to let their stocks run down, and the amount on passage decreased about 2 million bu, being 36,104,000 bu compared with 38,136,000 bu last week and 29,952,000 bu last season. World shipments amounted to 10,522,000 bu, of which North America contributed 4,444,000 bu, or about 40 per cent. We think this is the maximum percentage that will be required during the next twelve months from the United States and Canada. How much each of these countries will be able to furnish is impossible to tell at the present time.

As far as Canada is concerned, from the best information we can gather, about one-third of the acreageis very poor, one-third fair and one-third very good. The latter in parts of Alberta and Manitoba; the poorest districts will yield very little at best, and so much will depend upon the weather how much the other two-thirds will finally produce.

As far as the United States is concerned, even if Kansas, where they report black rust, and part of Missouri should deteriorate, we still expect a very large crop; but in case Canada with her small

(O V E R)

carryover would become a sparing seller, we would be called upon to furnish reasonably large quantities. At the present time it still appears that there will be a minimum of 175 to 200 million bu for export above home consumption from the United States.

The visible supply showed a decrease of 1,086,000 bu against a decrease of 858,000 bu last year, and is now 9,659,000 bu, or 13,742,000 bu less than in 1936; but we assume that there will be no further decreases and that from now on we shall have steady increases.

Corn, oats, and rye all advanced sharply in sympathy with the strength in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 22, 1937.

Almost every season at the beginning of the crop year there are many unexpected occurrences and situations; some of them adjust themselves in due course of time, others are difficult to explain, and simply show that some events are unforeseeable. So far it was correctly assumed that with the big crops in Texas and Oklahoma there would be an early and heavy movement. However, we are advised, and this is rather surprising, that despite the good yields and the high price prevailing, farmers in Oklahoma are very indifferent about selling and a great deal of wheat is being stored, and, therefore, not being hedged at the present time. This in our opinion, and judging from past experience, will have no permanent influence on the price level, as gradually one farmer after another will conclude to sell his wheat, and before the season is over it will allhave been disposed of.

It was also assumed that with the complete depletion of stocks there would be an enormous milling demand and that the big bakers would purchase very large quantities and be a partial offset against hedges which come in the market. But every miller that we have spoken to advises that there is no tendency on part of processors to accumulate any flour stocks and anticipate future wants, but purchases are being made from just hand to mouth. This also, we think, will change in time. After more is known about the crop outturn undoubtedly millers will pursue a conservative policy and purchase their raw products the same as they have done in the past.

Then again, it was expected that Europe would be anxious to replenish her depleted stocks and at least become a very heavy buyer for shipments during the months of July and August, then perhaps wait for the Canadian crop to come on the market, and later on rely largely upon shipments from the Southern Hemisphere. There is also great disappointment in this respect. Europe so far seems entirely indifferent and is not willing to pay the prices which are demanded here by exporters from the Gulf. Considering that Liverpool futures closed today at about $1.29 for July and $1.27 for October, and when it is considered that Gulf freights are about 13¢ a bushel and that Gulf wheat could not be purchased for less than $1.16 to $1.17 here, it clearly shows that we are out of line because there are other expenses attached to it, not counting profits and not taking into consideration that there is a duty of 6¢ a bu to the United Kingdom, with none from the colonies. But, of course, there is no differential to the Continent and we had expected that there would be big business there. Europe naturally takes cognizance of the very alarming reports which are sent out from here, or rather the great pessimism which exists at the present time about the final outcome of the crops, but yet were not particularly excited and their futures at the close showed an advance of 2 1/8 to 3¢ per bu.

For the first time in a long while Broomhall predicts that Russia is likely to become an exporter of wheat and barley this summer, and claims that Russia is already asking for bids from importers for oats. This would be rather important in the shaping of world prices, provided the quantity cleared from Russia should be on a large scale. Nobody ventures yet to make any predictions on that score. We had this in mind for quite a while because her production had been increasing from year to year, and it is a long while since both her winter and spring yields have been very promising. We appreciate that her population has also increased very substantially, about 3 million per year, which alone might give an increased consumption of 12 to 15 million bu; but nevertheless it is something which ought not be entirely overlooked.

For the present, however, most traders are very largely influenced by reports which are being received regarding the outcome of the crops in this country and Canada. As far as the winter wheat crop is concerned, we still feel convinced it will be a very large one. A good friend of ours living in Nebraska, thoroughly posted, and very much interested in what is going on in his state, advised us today that

(OVER)

the reports of rust in Nebraska, as far as doing any considerable damage is concerned, are very remote. He admits he looked in the fiel when black rust was first reported and found some unimportant signs. He went there again a week afterwards and found no change whatsoever; and now he thinks the crop is ripening so fast that if there is any damage it will be so infinitesimal that it is not worth while talkin about. We hear similar reports from Missouri, except of a very small area where possibly there might be some damage. Possibly in eastern Kansas the crop might be reduced more or less, but when Oklahoma and Texas alone probably might increase their yields 20 million bu more, any small offset in Kansas should not be considered as serious.

Now we come to the Northwest. We think opinions generally agre that the crop is quite promising at least for 175 to 200 million bu, not taking into consideration any rust damage. We wired a Minneapolis house today for information and they sent us the best worded message we received in a long time, stating the situation in very few words: The Minneapolis market is very narrow and is influenced by rust rumors, (mind, not rust, but rust rumors) which for the time being have the sa effect as if there were actual rust. They also added that they think the matter is being overdone. We, therefore, have come to the conclusion that while anything is possible, there is no reason yet for any great alarm about the outcome of that crop, although the market acts at times as if it were a sure thing that the spring wheat crop will be cut in two, or at least materially reduced.

As far as the Canadian crop is concerned, it is quite evident that about 5 million acres or so will yield hardly anything, leaving about 18 million acres, which are by no means all good, but perhaps half ot it would produce good yields, with favorable weather and the other half a fair crop. There is good reason to anticipate that at best only a very moderate crop will be produced and with very unfavorable weather possibly not more than last year. This in our opinion will give us a fairly high price level, but still no scarcity prices as in any case it appears as if we would have more wheat than last year.

Wheat receipts in the Southwest continue to be big-- Fort Worth Enid, Wichita, Hutchison, Salina and Amarillo receiving 1,350 cars compared with 563 last year. We believe that when this movement is added to by Illinois, Indiana, Missouri and Ohio, it will dampen bullish enthusiasm unless crops should deteriorate considerably more.

There was another advance today, the July future gaining1 3/8¢ per bu and the September 1 7/8¢ per bu compared with yesterday.

Corn, oats and rye all acted rather weak; weather conditions continue to be very favorable, and all the strength derived at times came in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 23, 1937.

A Local paper in Enid, Oklahoma, states that yields of wheat are wonderful. It predicts that northwest Oklahoma alone would produce 40 million bu of wheat; this does not include eastern or southern Oklahoma, and our representative estimates upward of 60 million bu for the state. This would be about 12 million bu more than the government made it --probably the largest crop ever raised in Oklahoma, and it is only important insofar as the crop is actually made, and is a reality, while the damage from black rust is still a fear, or at least an uncertain proposition. As a matter of fact we believe there is hardly a year where some black rust damage is not discovered if sufficient efforts are made to locate it, but it doesn't necessarily mean a heavy reduction in yields in comparison with the total quantity raised.

The first black rust in winter wheat discovered this year was in Nebraska. Today we received a letter from a very reliable party reading about as follows: "It has turned very hot and dry with us, temperatures running about 100 every day the last three or four days, and black rust damage amounts to very little at this time. Of course, this hot and dry weather is having the effect of ripening all grains very rapidly." Similar weather exists now all over the Southwest, also in Kansas, and, therefore, we consider the weather as not propitious for an increase in the rust infection. On the other hand a sample of wheat rust infected was shown today from Indiana, which by experts has been declared as being in a very advanced stage, with much damage possible. We do not know how large a territory this represents, but the sample was sufficient to scare any number of traders who had seen it, and was worth a great deal to the price. This was rather fortunate as new buying was very badly needed, news otherwise having been extremely bearish.

Cables, which were expected to be considerably higher, following our gains of yesterday after Liverpool had closed, showed a decline of 1 1/2 to 2 7/8¢ per bu. This naturally made it impossible to do much of any business abroad, and Broomhall continues to comment on the poor cash demand existing at the present time. He furthermore gives us a reason for this weakness abroad: namely, the fear of English merchants that Russia will export wheat this year, and of course every bushel which would be shipped from Russia would diminish the quantity needed from North America. The total quantity required from North America the season ending June 30th will be less than 200 million bu; the previous season there were only 181 million bu exported. From all information at hand we see no reason why the demand should be greater this year because neither France nor Italy, two countries with large populations are likely to buy as much. Therefore, if Russia should sell a sizable quantity the demand on Canada and the United States would be only very moderate.

However, we have hardly ever seen the trade in as nervous a state as it is at the present time, and any damage reports are viewed with the greatest alarm, as if it meant the total destruction of crops, particularly in the Northwest. Nevertheless, we received many reassuring reports that were almost ignored. For instance, a report came over the ticker from North Dakota giving the weekly weather and crop report as follows: "Reports of black rust on the stem continue, but damage not serious as yet." The weather in Kansas, Nebraska, Missouri, South Dakota and North Dakota was dry. Temperatures are satisfactory in the spring wheat territory and not conducive to the spread of rust. They also had showers in parts of Saskatchewan with more predicted, which ought to be beneficial to the Canadian wheat crop.

Back of it all, however, is the fact that the amount of wheat actually hedged so far is so small that there is really no balance wheel in the market, and any extensive buying brings about sharp advances. This is likely to change very soon. Receipts at five Southwestern points --Amarillo, Fort Worth, Wichita, Hutchinson, and Salina were 1,008 cars today compared with 530 cars a year ago. A great deal of the wheat so far has been stored, but as soon as storage

(OVER)

charges commence it is likely to be sold as usual, and then more hedges will come in the market.

The open interest is still comparatively small at 91 million bu, and it increased yesterday 1,900,000 bu. It now looks to us as if before long from 50 million bu minimum to 100 million bu or more whea will have to be hedged and have to be absorbed by new buyers. We could easily see how the visible supply alone could increase from 60 to 70 million bu; the country mills will store lots of wheat and have it hedged, and so will country elevators. This, of course, is partly guess work as much will depend upon the disposition of the bakers, an whether they will want to lay in large stocks or not; also upon the export demand. However, with a crop the size of the one we are likel to harvest, the movement during the first two months will exceed the demand so much that accumulations should take place.

Primary receipts were somewhat larger than last year --1,027,000 bu against 914,000 bu in 1936, and we look for an increase in the visible supply next Monday.

There were many fluctuations, up and down, and trade was extremel nervous. At the close July wheat showed an advance of 3/8¢ per bu, and the September 3/4¢ compared with yesterday.

There was some corn sold out of Chicago today, and with the light stocks here shorts in July and September become scared easily. This cereal also advanced in price.

Oats and rye profited from the late strength in wheat, and closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
IEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 24, 1937.

Liverpool wheat cables were very strong today, showing an advance f 3 3/8 to 3 1/2¢ per bu. However, foreign markets at the present ime do not act independently and are almost entirely influenced by orth American news, as with their depleted stocks they will be more r less dependent upon us. It is safe to assume that they will have o buy during the coming twelve months from 175 to 225 million bu rom the United States and Canada. If Russia should come into the arket as an exporter, and if European crops otherwise turn out all ight, they might get along with less.

Therefore, a rather bullish report from the Free Press in Canada n the Canadian crop, together with our strength here yesterday, overhadowed all other news in Europe. The report itself was hardly any ifferent from what was known of the Canadian crop at the present time. n substance it says that 5 million acres in southern Saskatchewan ill produce very little; another 5 million acres with reasonable rainall should have average or better crops; and the remaining 14 milion acres less than average, much depending upon the weather. In the eantime they had some rain in Canada but the amount of precipitation as only very moderate as a whole. There is a possibility of showers n Manitoba and the northern part of Saskatchewan, with cooler weather redicted.

In the United States the weather is absolutely ideal. The Southest, where warm, dry weather is desirable, particularly in those laces where harvest is in progress, remains entirely satisfactory to he farmer. In the Northwest, temperatures are also seasonable, and n our opinion not conducive to the development of black rust. While here is very little known about this disease we are advised that for erious damage to be done to the spring wheat crop, according to the earle Grain Company, the following conditions must prevail: . Generous rains must occur, which means rains which are better than he average. At the present time it is dry in the Northwest. 2. The tmosphere must remain for long periods very humid. This is also not he case now. Temperatures must be high but if the weather for airly long spells between rains is hot and dry, rust spores do not eadily increase, and so, little damage is done. We therefore assume hat there is no reason to be so very fearful about a disaster in the orthwest, although we concede weather conditions may change and it ay come.

B. W. Snow evidently recognizes this condition and calls attenion to what happened in the years 1904, 1916 and 1935, or about once very ten years. However, if our recollection is correct, in 1904 when he big damage was done, there were lots of other troubles besides ust. In 1935, the final spring wheat crop was 161 million bu, no bsolute disaster, although greatly reduced.

Leaving out the future for the present, as nobody can guess the eather, we have the rather optimistic report before us of The Van Dusen arrington Company, claiming almost ideal conditions as far as the plant as progressed in the Northwest. This is confirmed to us by other levator concerns who operate line houses, and whose business it is to atch the situation very closely and who are not at all alarmed over he present outlook, although they are fearful from past experience hat this might be one year out of ten where really serious harm will e done later on.

It may be expedient, therefore, to look at the situation in the erspective. There evidently is a short-term and a long-term aspect. he short-term one is that of apprehension and fear; the long-term outook is what realities will be if no disaster happens, if weather conitions from now on are normal and if the crops which were sown will e harvested. We then assume that we shall have a steady increase n the visible supply. Last year it increased from June 29 to August when it reached its high point, 57 million bu. It did not increase fter that because the spring wheat crop was such a failure. Should

(O V E R)

this calamity not be repeated this year increases will continue probably until the close of navigation. There might be an increase in the visible supply of 75 to 100 million bu, while at the same time country elevators will fill up and mill stocks will be increased, a large portion of which will be hedged. It will then not be a question of fears and alarm, but a question of supply and demand. New buyers will have to be found for the wheat if the farmer is willing to sell it and it will have to be carried until it moves into consumption. A little indication of what we may expect later on are the receipts today in the Southwest, Fort Worth receiving 223 cars vs 52; Enid 378 vs 166, Wichita 609 vs 294, Hutchinson 182 vs 197 and Salina 108 vs 177, a total of 1,500 cars compared with 886 last year.

Primary receipts today were 1,349,000 bu compared with 1,026,000 bu a year ago, but today's included 914,000 bu in just one point--Wichita, and after a while there will be a number of terminals which will have tremendous receipts, such as Chicago, Kansas City, St. Louis, Omaha, etc. When they all join the procession it will take great absorbing power, in our opinion, to maintain present values.

Fluctuations were many today but more caution was exercised by traders, and at the close July and September futures showed a decline of about 1/4¢ per bu compared with yesterday.

Corn, oats and rye followed the leading cereal more or less, but crop prospects continue to be extremely favorable, and the way it appears to us there will be a great abundance of feedstuffs later when the new crop comes on the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 25, 1937.

Liverpool wheat cables early were disappointingly weak, but there was some recovery before the close, futures there advancing 1/4 to 3/4¢ per bu.

There were some rains reported in Canada, and while they were not general they were very desirable in those places where they occurred, but it was in a comparatively limited territory. Inasmuch as the Winnipeg market was very strong, not much attention was paid to this news. It is generally assumed that the Canadian crop will be a poor one, regardless of weather conditions from now on. It may improve or may deteriorate but at best estimates as to the size of the crop are rather discouraging, although the probability still exists that the crop will be larger than last year.

It therefore becomes of more importance what the yields will be in the United States and any reduction from the present good outlook, of course,excites traders very much. Little attention is being paid to the fact that prices have already advanced a great deal and the present level would only be sustained if there is a very close world adjustment. It is so very exceptional that much damage is done from black rust in winter wheat districts, that a great many people are still very skeptical, and, therefore, there are many contradictory reports. Some of them claim that the damage might be considerable, while the more conservative still claim the amount damaged by rust cannot be accurately determined. In any case the prospects in Illinois, Indiana and Missouri have been so excellent that even a moderate reduction in the yields would still mean crops way above the average. For instance, the manager of fifty farms in Illinois says the scab damage has lowered the prospects in Illinois from 35 to 25 bu per acre, and a result such as this if it were all over the state would still make the final yields larger on the acreage standing than the government figures. We also have reports from Missouri claiming that estimates for that state are still 40 million bu, which would be only slightly smaller than the June government report. We have a letter from Minneapolis stating that the rust scare in the Northwest appears premature; that the rust spores discovered in the experimental plats in Fargo are present practically every year and have been found very much earlier in years of best production, and any further development will depend upon weather conditions.

With the great uncertainties existing at the moment, or at least the difference of opinions, much will depend upon the weather during the next two weeks, and with the very excited frame of mind of many of the traders, it is difficult to predict the immediate trend. Taking a more distant outlook, and judging from past experiences, we still feel there is nothing as yet to indicate that the world will not produce more wheat than will be needed for the yearly consumption. Therefore, later on when the crop movement starts in earnest there may be a readjustment in prices. At best we have had a very sharp advance, the price level is very high, and the movement is likely to be a large one even though the crop should be moderately reduced.

Primary receipts were 1,282,000 bu compared with 640,000 bu last week, and 1,215,000 bu a year ago. We presume that next week we shall see the first increase in the visible supply, and hedging sales will be largely on the increase. One of the reasons which made it so easy to bring about this advance was that practically no American wheat was hedged. Had it not been for the fact that lots of spreads were made, buying Canadian wheat and selling ours, thereby creating a short interest here which offset the many longs, the advance might have been even sharper. With our visible supply gradually increasing this, of course will change.

At the close the July future was 2 3/4¢ per bu higher, and the September 2 7/8¢.

The new crop futures of corn, oats, and rye all acted as if they had troubles of their own, but this is not the case as crops are getting along nicely, and the advance in price is entirely in sympathy with wheat. Of course old corn remains very scarce and cash corn is still bringing a premium over the July future, which makes July corn a very strong proposition with the very light receipts at the moment.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 26, 1937.

Despite the fact that afloat stocks are diminishing, and the world shipments are likely to be much smaller on Monday, Liverpool just about followed our advance of yesterday, and lagged somewhat behind the sharp upturn at Winnipeg. According to Broomhall resellers were reported offering Canadian wheat in London early yesterday well below replacement cost. It is a known fact that European markets have lost considerably upon both Chicago and Winnipeg recently, and this in spite of the many rust fears would indicate that conditions abroad must be satisfactory, and possibly they are even figuring on larger supplies later on from Russia.

Late yesterday we were in touch with people in various parts of the country. One man who operates 17 stations in southeastern Missouri told us that threshing returns were well ahead of expectations, and he was extremely optimistic over yields despite the fact that there had been so much talk recently of possible rust damage. A good many millers from Kansas told us that harvesting operations were progressing further northward, and that almost everywhere yields were turning out better than early expectations.

One of our very reliable informants in Minneapolis told us that he had received numerous samples from the Northwest and had sent all of them to the University of Minnesota, and they found, as before, that there was no rust, but merely leaf spots. He further stated that some privately placed plates in different sections of the Northwest were used as a check to see if there had been any movement of rust from the Southwest, and it developed that as yet they found clear plates, which were free of rust spores. This is quite a different situation from 1935 when the plates were filled. We mention this since a good many people are fearful that there might be a repetition of what occurred two years ago. While we do not say that this would be impossible we are strongly of the opinion that up to the present time there is more fear than actual damage from the rust disease.

The market opened weak with some profit-taking, but at times sharp rallies took place in sympathy with Winnipeg advances. It must not be forgotten that in the six weeks to August 1st if average exports from Canada would be 4 million bu the carryover would be reduced to 35 million bu, or far below the figure of last year. On the other hand, with the moisture that has taken place in Saskatchewan and Alberta some are still of the opinion that there might be a crop in Canada of 250 million bu; and this, in our opinion, would be quite ample particularly as the United States will undoubtedly not take 30 million bu of that wheat such as we did for the past two seasons. Furthermore a country with less than 10 million inhabitants must depend to a large extent upon its export outlet, and judging from the winter wheat yields in this country we feel that we will be able competitors; and, therefore, Canada will not have the entire field to herself.

Receipts at Southwestern points are picking up; in fact we had a wire from Enid that there was a shortage of railroad cars, and that the wheat could not be brought in from the country, as the yards were pretty well blocked. At Fort Worth there were 294 cars compared with 38 last year; Wichita 640 vs 374; Enid 290 vs 161; Hutchinson 299 vs 297; Salina 170 vs 255, or a total in the five points of 1,693 cars while last year there had been 1,125 cars.

Primary receipts today were 1,578,000 bu. This was much the same as a year ago, but compares with 540,000 last week, showing that the movement is getting under way. We think in another week hedges will be much more of a factor. Stocks at Kansas City, Duluth and Minneapolis so far this week increased 137,000 bu; and it is quite likely that the visible supply on Monday will show its first increase.

At the last July wheat was the weakest and went to the largest discount under September so far, showing a decline since yesterday of 3/4¢ per bu, while September wheat lost 5/8¢ per bu.

July corn was very strong at times, and there is no doubt but that remaining supplies in the country are small. This situation, despite some imports, will not be corrected until we have another crop. The outlook in the corn belt remains favorable, but December corn is at such a large discount under other months that shorts are restrained in their operations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 28, 1937.

Liverpool wheat cables were reasonably strong before our session opened, being influenced by the very light world shipments, which amounted to only 7,292,000 bu compared with 7,376,000 bu last year. This is the first time in a long while that they were smaller than the preceding season. Last week they amounted to 10,552,000 bu. These importations are not sufficient to cover the current requirements, in consequence of which the amount on passage is steadily decreasing, now being 34,289,000 bu vs 36,104,000 bu last week and 28,600,000 bu in 1936. Liverpool was influenced by the increasing offers of wheat from continental countries, but the fact that no rain of importance was reported in the dry belt of Canada over the week-end caused some covering.

In the meantime export business from both Canada and the United States is extremely small, indicating that at least for the present millers in Europe are not very much alarmed about getting their supplies and probably were figuring on better crops in Europe as a whole than last season. Nevertheless, with the supplies in the Southern Hemisphere very much reduced there is no doubt in our own minds that there will be a very heavy call for North American wheat during the next twelve months; and the question still remains, how much Canada can furnish and how much the United States will be able to supply. The outlook in Canada continues to be bad, and the strength in Winnipeg is a stimulant to our price level here. Dryness prevails in Canada and only a few scattered showers are predicted for tomorrow and rain is very urgently needed. A fair crop may still be raised but every day of dryness diminishes the chances there.

As far as the United States is concerned, harvesting is going on at a very rapid rate now. The movement is a very large one and hedging sales from now on ought to become a more important factor. As a general rule the visible supply with very few exceptions increases steadily from now on until the close of navigation. The open interest at present is only 85,492,000 bu, and unless there should be a crop failure in the northwestern spring wheat territory, do not think it is extravagant to figure that at least 50 to 100 million bu of hedges will come in the market gradually during the next few months. Wherever harvesting has progressed heavily so far in states such as Oklahoma and Texas, we hear of nothing but excellent yields --some of them in fact are very extravagant. The contrary reports are received from several states where the outlook was splendid and where we are led to believe now that the crop is deteriorating very fast on account of black rust. We are inclined to believe that the final result will not be as bad as predicted at the present time, because we consider present weather as extremely favorable and not conducive to the spread of black rust.

Today we received a report from the Robinson Elevator Company of Kansas City, a very reliable concern, estimating the probable Kansas wheat production at 136,720,000 bu. This is only about 6 million bu less than the June government report, or about 4 per cent loss, although during the whole month we heard of a great many complaints in parts of that state.

The crop in the Northwest, as far as we can learn, is getting along allright, but black rust reports are received from some places. However that territory is so large that it is always possible to find some bad spots. Nevertheless they create a very nervous market, and contribute to the great strength and help to bring about advances in the price. In the meantime the actual movement is tremendous; primary receipts today were 3,364,000 bu compared with 1,419,000 bu last week and 2,756,000 bu a year ago. The total visible supply increased 1,537,000 bu whereas in 1936 similar week it decreased 1,451,000 bu. The total is still very small --11,196,000 bu now versus 21,950,000 a year ago, but with the heavy movement it will not take long to catch up.

There were war rumors at times, but nothing definite, and we could not trace any change in the foreign situation. In looking the situation over, we feel the same as Neville Chamberlain, the English Premier, who expressed himself the other day inthe House of Parliament when he viewed the world situation by saying, "It is the time to remain cool." We feel that this year is different from last when futures always sold at a discount; this year we are gradally coming to carrying charges, and the difference between July and December wheat is now about 3¢. With the carrying charges added to the cash price, we have reached a level which ordinarily is only maintained when there is a great scarcity, either a world or a domestic one, which certainly will not be the case this year.

In the meantime weather and crop reports will affect daily fluctuations, which are likely to be very sharp, because any improvement in the outlook, or the belief that rust reports were exaggerate might bring about very sharp declines.

At the close the July future showed an advance of 3 3/8¢ per bu and the September 3 3/4¢ per bu compared with Saturday.

Corn, oats and rye all closed strong and higher, almost entirely in sympathy with wheat, as the crops are getting along very nicel and very few complaints are heard so far.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 29, 1937

Liverpool wheat cables were very strong before our session opened, following the full advance of Winnipeg after their session had closed. They gained more during the day after they were advised of the strength both here and in Canada, and the total advance since yesterday amounted in the various futures to 8 to 8 5/8¢ per bu. The strength abroad in itself would not be significant as it is entirely a reflection of the North American markets, and should improvement take place Liverpool would fall probably almost as quickly as they had advanced. The fact of the matter is Broomhall advises that compared with Liverpool, Chicago prices are about 10¢ per bu too high and 15¢ too high at Winnipeg. Nevertheless, Europe is aware that sooner or later these markets have to adjust themselves, and they cannot get along without North American prices, so they may be forced to raise their limits still further. In the meantime, however, European millers seem to be very skeptical that the level here can be maintained and are buying very sparingly; the total Canadian business was extremely small and Winnipeg export business was less than 150,000 bu. Importers for the next six months will be able to obtain only very moderate quantities per week outside of North America; and the weekly requirements should be at least 10 to 11 million bu, but of course Europe might get along with a great deal less during the next six months while their own harvests come on the market and rather wait for the movement in the Southern Hemisphere.

Now as to the probable supplies which might be obtainable from this country and Canada, it seems impossible to secure accurate information at present until the spring wheat crop is further advanced, so we can more nearly guess what the final crop will be in the United States. From the present outlook, and we think the government will confirm this, we believe the winter wheat crop will easily be 650 million bu, with a spring wheat crop of possibly 200 million bu, or a total of 850 million bu. This would give us an exportable surplus of 175 million bu or more, probably sufficient to supply all European demands without a great deal from Canada. During the last few years all North America shipped very little more than that.

As far as winter wheat prospects are concerned, it is generally recognized now and indisputable, that there has been considerable damage done by black rust; but many are skeptical at the present time of the extreme reports which have been given out, as in every state there is lots of wheat which was not hurt by rust and the deductions to be made are from a crop that otherwise might have yielded from 700 to 725 million bu.

As far as spring wheat is concerned, we are advised that the country with few exceptions at the present time looks almost like a garden spot and a good crop is still a possibility. On the other hand if the rust should spread to the four spring wheat states, judging from the experience of the winter wheat crop, damage could still be very great. In the meantime, however, the weather is not favorable for rust development and every day that passes justifies one in the belief that there will be a good spring wheat crop, always, of course, recognizing that the damage would still be done during the next two weeks or more in many places.

The really bad spot in the world is Canada where undoubtedly the crop is very bad and is going backward daily. One good rain there, but it would have to be a heavy one, would change sentiment greatly, but at best they can only expect a moderate or poor crop, unless the worst calamity should befall it and should it never rain, or at least not during the next week or two. Canadian exports are bound to be very small compared with the last five or ten years.

Summarizing it all, we believe there is no world shortage of wheat in sight yet, but there is not a sufficient overabundance to make one believe in low prices. The present price seems to us to discount fully, and perhaps more so, the damage done up to date. To justify

(OVER)

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 30, 1937.

Comparative calm today followed the extreme excitement of previous sessions during the past ten days. Much has changed since wheat started its upward move a fortnight ago, registering a gain in price of almost 19 to 20¢ per bu at the top. During this period many alarming reports came from the winter wheat districts about damage caused by black rust; the Canadian crop in many places went to pieces, and rainfall had been infinitesimal. Our spring wheat crop if anything has improved but the fears that damage might still cause a reduction from the present splendid prospects have not been dissipated. In the meantime, however, a very heavy movement took place, particularly from Texas and Oklahoma, and hedging sales must have been on quite an extensive scale, furnishing a small offset against new speculative buying. Many are wondering now whether or not the actual damage done so far justifies the present level of prices, and particularly so should the Canadian crop prospects improve. For this there is just a little hope as showers are predicted, and the probability of some precipitation caused the Winnipeg market today to decline faster than others.

As far as the winter wheat crop is concerned, the crop experts' estimates are due on Friday and we are inclined to believe that the majority will not vary much from their own June reports. Therefore, those who believed in a calamity, judging from the many rust reports, will be disappointed, and anything like 650 million bu or more winter wheat will represent a very large quantity --much more than in many years, and with a fair spring wheat crop would provide the United States with a very large exportable surplus, offsetting the effect of the lessor quantity which Canada may have for export this coming season.

We also have this morning Broomhall's estimate of prospective world requirements, which do not differ much from those which we have given the trade right along. He puts the figure at 536 million bu, of which 232 million bu would have to come from North America. He divides it up, 136 million bu from Canada and 96 million bu from the United States. Inasmuch as the United States crop might easily be 850 million bu, and a low estimate for Canada of 200 million bu, this would make a total of 1,050,000 bu, and with approximate consumption for both countries 775 million bu, there would be a surplus of 275 million bu; therefore, could easily export even more and still slightly increase our carryover. Broomhall also figures that Russia might clear 32 million bu this season, and in making this estimate he undoubtedly has information that the wheat crop in that country is getting along very nicely.

Liverpool wheat cables were somewhat easier today, futures declining 1 3/8¢ per bu. Export demand remains at very low ebb, and foreign millers are evidently not very apprehensive about not being able to get their supplies when the proper time comes.

The movement in the country continues to be large, Fort Worth, Enid, Wichita, Hutchinson and Salina receiving 2,299 cars vs 1,063 cars the same period last season. Primary receipts were also very large, 2,247,000 bu compared with 1,027,000 bu last week, and 1,814,000 bu last year. We think that starting next Monday a tremendous increase in receipts will be in evidence and we also look for a very heavy increase in the visible supply on Monday.

At the close the July future showed a decline of 2¢ per bu, and the September 2 1/4¢ per bu compared with yesterday.

It is strange, in spite of the heavy trading yesterday which amounted to 87 million bu of all wheat futures, that the open interest declined again to the extent of 1,219,000 bu, and is now only 84 million bu. Unless crops deteriorate further new buyers will be required right along to absorb the hedges.

Corn, oats, and rye all were weaker in sympathy with wheat; prospects continue to be entirely satisfactory in all these cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 1, 1937.

Cables were extraordinarily strong today, Liverpool futures advancing 1/4 to 1 7/8¢ per bu, which was very unexpected in view of the sharp decline in Winnipeg yesterday after the Liverpool market had closed, and also the break in prices in Chicago. At first the trade thought it might be due to a more strained political situation between Russia and Japan, but Broomhall explains it as being actually due to very light offerings and small world shipments, with little in sight to fill the requirements for the next six months except from North America. Estimated Argentine shipments are only 919,000 bu; Black sea shipments 800,000 bu; India has cleared 816,000 bu, which leaves only Australia and North America to supply the needs. We have repeatedly pointed out that any weakness abroad could only come sympathetically with North America, their dependence this season being very large.

Broomhall reiterates that about 232 million bu of wheat willbe required from North America. This despite the fact that European crops are making normal progress and it is expected that the French wheat crop will be larger than last year, latest estimates being about 22 million bu in excess of what was raised in 1936. The price level, therefore, will be more and more dependent upon the outcome of the North American crops and later on those of the Southern Hemisphere.

Canadian news was rather mixed. There were fairly satisfactory rains, quite general over most of the central and northern parts of Alberta, and as these are districts that are still susceptible to great improvement, they were very welcome. On the other hand the precipitation in Saskatchewan was next to nothing and the wheat crops in the bad districts are going from bad to worse. We therefore have to be prepared for a very short crop in the three western provinces.

The reports about the wheat crop in the United States we consider were more favorable than of late. We still hear of some very good yields in many states and also many claims now that the damage from black rust was less than expected. Tomorrow the private experts will give us their views and as their estimates in June corresponded very closely to those of the government, their figures will be accepted by the trade as being as near correct as is possible at this stage of the game. From the Northwest, we hear nothing but very excellent reports, and up to date the outlook is very promising--in fact, there are quite large areas which promise better yields than in any period during the last five years. If this crop comes through all right total yields in the United States will be very big and permit of a large exportable surplus. However, everything appears so promising now that it hardly could be better and the trade is still fearful that some deterioration might take place, particularly if black rust should set in. With the favorable weather now and no change in sight for the moment, the probabilities are still in favor of good results.

Southwest receipts are still enormous, seven points reporting 3,007 cars compared with 1,142 last year, and 1,938 a week ago, showing that the movement in that territory is still on the increase. Nevertheless no pressure is yet being felt as far as hedging sales are concerned. This can only be accounted for by the fact that practically every short is covering, not being able to stand the strain of continually advancing markets and additional losses. As a matter of fact the open interest, while it increased slightly yesterday, has decreased almost 5 million bu during the week. Last night it was 84,867,000 bu compared with 89,890,000 bu the previous week.

Primary receipts are also heavy --2,002,000 bu today versus 1,349,000 bu a week ago, and 1,781,000 bu in 1936.

The market kept strong all day with only a few sinking spells early, but after some reaction took place many lines were reinstated; as the market went up the momentum grew, and at the close September wheat had advanced 5¢ per bu, which is the limit permissible in one day, and the July had gained 7 1/4¢ per bu.

Corn, oats and rye all sympathised with the sister cereal, except July rye was comparatively weak, as it is assumed that the crop will be an early one, and there will be some new arrivals here in time for delivery.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 2, 1937.

The private experts gave us their estimates this morning on winter and spring wheat crops in the United States, as well as on the Canadian crop. We think they will be accepted by the trade as probably being as nearly accurate as they can be given at the present time, particularly as the winter wheat estimates in June coincided very closely with those of the government. The average estimate was 229 million bu for spring wheat, 642 million bu for winter wheat, or a total of 871 million bu compared with 626 million bu last year, or 245 million bu more. Nobody who listened to the many rust reports during the last month could have imagined that when expressed in figures they would be as high as this. We, therefore, feek that as far as the actual situation was concerned, we kept our readers well informed. Even the Canadian crop estimates were larger than expected, 216 million bu for the three western provinces, which would make a total crop for all of Canada of close to 235 million bu, or virtually the same as the past season.

However what we did not foresee, and which in our opinion was unforeseeable, was that world speculative fever would set in. This was caused by apprehension that inasmuch as a great deal depends upon the final yields in the spring wheat states and the crop is not made by any means yet, that any substantial deterioration there might change the picture materially. However, the crop outlook in the Northwest has been reasonably good right along, and weather during the month very favorable; therefore, fear of a poor crop in the four spring wheat states was only hysteria and not based on actual conditions as they existed right along.

We received today a letter from the Van Dusen Harrington Co. as follows:

> "Our crop has been developing during the past week under practically ideal weather conditions. The days are bright and sunny but not too hot, and the nights are distinctly cool with a nice Northwest breeze blowing. Such conditions are decidedly unfavorable for the spread of rust, and we are hopeful that the present type of weather will continue until our crop is assured. We are, of course, going through an extremely critical period in our crop development and in no way want to minimize the potential danger of the black stem rust infection."

This confirms our view that everything is O.K. at the present time, but possibilities still exist that the rust infection might do some damage later.

In going back to the reports of the crop expertz, we wish to state that if five out of the six are nearer correct the crop will even be very much larger, always provided that the harvest will not show further rust damage, there being a difference between the maximum estimates and the minimum of 156 million bu. But even taking the average figures the United States is likely to raise a crop with a surplus of 200 million bu, and if Canada should have a surplus of 100 million bu, there would be more wheat in North America than importers would want; therefore, present prices would be too high. Expressed in other words, the present level is not justified unless continued unfavorable weather prevails from now on. This refers more to the spring wheat crop and the Canadian crop, as the winter wheat crop is practically assured.

Liverpool cables were extremely strong, although they declined from opening prices, and the net advance for futures was 3 1/2 to 4 1/8¢ per bu. This, following the great strength of yesterday, shows the absolute dependence of European importers on North American supplies this season; although a little war scare in the Eaat may have

(O V E R)

contributed to the advance.

Broomhall reiterates over and over that English millers are again buying wheat from India; as that country was hardly a factor in previous years, we must assume that she will be a larger exporter this season.

However, the chief sentiment for the world is being created here now. The news for the day as far as crops are concerned was reasonably favorable, but a bull fever seems to be on at present, and it is difficult to determine exactly when it will subside. In the meantime, there is a heavy movement going on. Receipts in the Southwest continue to be very large: Fort Worth, Enid, Wichita, Hutchinson, and Salina receiving a total of 2,534 cars compared with 1,078 cars in 1936. Primary receipts are also very big--3,075,000 bu today versus 1,282,000 bu last week, and 1,996,000 a year ago.

As the trade has been so nervous for such a long time, sharp fluctuations are still to be expected, but with heavy hedging sales now coming on the market, we think finally the trend will be lower. There was a great deal more caution used today on both sides, and the close showed an advance of 3/8¢ per bu for the September future and 5/8¢ for the December.

Corn, oats and rye all were lower; crop prospects continue to be most satisfactory in these cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 3, 1937

Reports issued yesterday by private experts indicating a wheat crop in the United States 245 million bu larger than last year, was apparently more of a factor abroad than here, and at one time prices in Liverpool declined as much as 2¢ per bu, although partial recoveries took place before their close. Broomhall also reported that another reason for the weakness was a pause in the English millers' demand; and he called attention to the fact that India was still offering wheat freely, which places American gulf wheat out of line for export. We all know that this cannot continue indefinitely. First of all there is a limit to what India can sell, and furthermore with the poor prospects in Canada we will finally be called upon to sell some of our surplus wheat abroad.

First prices here were lower in sympathy with Liverpool, and also the fact that Winnipeg wheat was traded in at prices below yesterday's pegged limits. However, the tenor of news from Canada was such that the trade was still extremely excited, and on the whole, crop reports were mainly bad, particularly in sections of Saskatchewan, where the drought has been prolonged and where the area of poor wheat has been enlarging. On the other hand a few rains have fallen in the Edmonton districts, so that parts of Alberta were favored with relief, but Canadian operators on the whole are inclined to the belief that further deterioration will take place unless general rains occur very soon. There was an article in the Free Press this morning stating that light stem rust infection was found on wheat in southern Manitoba, although the amount of damage could not yet be determined.

Our trade here was inclined not to accept yesterday's estimates at their full worth, feeling that possibly the full extent of rust damage was not reflected in the figures. In regard to winter wheat, Mr. Cromwell states today that he has given consideration to regular and several special sources of information on the damage due to rust, and that every attempt was made to include the full extent of the damage in all areas except in the north fringe of the belt where there is as yet no positive evidence of any loss.

Now dealing with spring wheat, nobody can be sure yet how much damage will actually be sustained if the rust infection becomes serious, but a good many people are apprehensive that something may yet occur; and for that reason there is still considerable bullish sentiment.

On the other hand, receipts are becoming larger, and there were 2,240 cars of wheat received today at Fort Worth, Amarillo, Enid, Wichita, Hutchinson and Salina. We cannot give an exact comparison with last year as there was a holiday at that time; but there were 904 cars of wheat today at Kansas City compared with only 215 cars a year ago, and we believe that on Tuesday the run will be enormous; in fact, the Southwest is expecting a record wheat movement next week, and country elevators are working 24 hours a day and still unable to keep ahead of farmers' deliveries. One observer thinks if this keeps up nuch longer that there will be a car shortage, and he goes on to say that judging from the tremendous amount of wheat being delivered at country points the Kansas crop must be considerably larger than any recent estimate. In our opinion, temporarily at least, this may overshadow other factors, as we do not believe that speculation is large enough to cope with this situation about to develop.

Yesterday, for instance, the open interest declined 758,000 bu and new buyers must be found if hedges increase in great volume.

During the session there were a good many sharp turns both up and down, at times the weakness in corn being a factor, but at the ast September wheat showed an advance of 1 5/8¢ per bu, which we believe was largely in sympathy with the great strength at Winnipeg.

Corn weather remains favorable but sellers of December are somewhat restrained because of the tremendous discount of the new crop future under old. July corn at one time was very weak owing to liquidation, but as yet there is no enlarged movement from the country to ouild up reserve stocks.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 6, 1937.

During our holiday on Monday markets at both Liverpool and Winnipeg were opened. The Winnipeg market showed great strength early yesterday, but the gain was all lost before their session ended. Liverpool was inclined to weakness and this morning before our session opened they had declined at one time as much as 3 to 4¢ per bu. However, they gained somewhat after the North American markets all became very strong, and Liverpool futures finally showed a decline of 1 1/2¢ to 1 3/4¢ per bu. This puts some of the Winnipeg futures higher than those at Liverpool, a very unnatural situation, which will have to be adjusted sooner or later. Of course, this on the assumption that Canada, despite her bad crop prospects, will still have an exportable surplus which will find no market in the United States this year, and which will have to be sold abroad.

There were some scattered showers in Alberta, not a great deal. They had very high temperatures at places and as Saskatchewan is still suffering the news from Canada was construed as bullish. Furthermore, some black rust reports came from Manitoba, and while they may not amount to more than in other years, this is a season when bad reports have more than their usual influence on account of the close adjustment between possible supply and probable demand.

In our spring wheat territory crops still seem to be getting along nicely but fear of rust development is still existent and as the possible danger will continue for some time, it creates very nervous markets. The mention of black rust is to the bear what a red flag is to the living bull. Reports are still being circulated regarding the damage which has been done to the winter wheat crops from the same disease, but on the other hand we still hear of some excellent threshing reports. Also the wheat on the Pacific Coast is getting along very nicely and there is little doubt in our minds that the United States will have a very large exportable surplus to dispose of. We are likely to raise considerably in excess of 200 million bu more than last season, and at the present time the demand for our export wheat is very limited.

The amount of actual export business done so far is at a minimum, and as it always takes time before one obtains the proper ocean freight unless engagements are made ahead, it appears as if clearances from the United States during the month of July will be very small. Inasmuch as we have only six months' time before we come into competition with the Southern Hemisphere, every week that we delay exporting counts more or less.

World shipments continue to be light, 8,879,000 bu, and while larger than last year when they were only 6,183,000 bu, they are supposed to be less than normal requirements. Nevertheless, the amount on passage is practically unchanged at 34,168,000 bu compared with 34,289,000 bu last week and only 26,720,000 bu last year. Europe continues to pursue its hand to mouth policy and are reluctant buyers at prevailing prices. Whether it is due to the fact that they are hoping larger supplies may be obtained from India or Russia, or whether they are figuring that their own home crops are more promising, it is difficult to tell; but they certainly do not seem to show any excitement or apprehension as to the probability of being able to secure their necessary requirements.

Speculative feeling at times was quite feverish and after an early decline of about 2¢ per bu or more, a quick reaction took place with a gain of over 4¢ per bu from the low point. The advance, however, could not be maintained, as for the first time on this crop hedging sales had been on a tremendous scale and were a partial offset against new buying which came into the market. Nevertheless at the close there was a decline for the day of 1¢ per bu for the September wheat and 3/8¢ for the December compared with Saturday.

(O V E R)

Receipts in the Southwest alone at five points, Fort Worth, Enid, Wichita, Hutchinson and Salina, amounted to 4,790 cars for three days, including Sunday, compared with only two days last year when there were 901 cars.

Primary receipts today were enormous, even when it is considered they include an extra day, amounting to 9,049,000 bu compared with only 2,514,000 bu last year for the week-end. The visible supply also shows an increase of 5,005,000 bu versus 2,728,000 bu in 1936, and the total is now 8,477,000 bu less than a year ago same period, but there seems to be little doubt that we can catch up very soon.

All other cereals followed wheat fluctuations more or less today except December corn, which was independently strong. This was not due to deterioration in the fine crop prospects, but that market is comparatively narrow in as much as there is very little corn hedged for December delivery, and some important buying orders started the market going up and as soon as the bull movement started it was difficult to find sellers.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 7, 1937

The wheat news overnight was again rather mixed. The discouraging feature to the bull is the continued indifference on part of Europe to become apprehensive regarding their supplies. They seem to refuse to make heavy purchases at the prevailing price level. Liverpool futures at the close showed a decline of 1 1/2¢ per bu to an advance of 1/4¢; but the overnight sales in Canada seem to have been very light.

Broomhall claims that the market is depressed by continued pressure of Australian wheats afloat and Indian shipments. It is somewhat remarkable that Indian wheat should be mentioned so frequently in the cables when that country was supposed to export at a maximum only 20 million bu during twelve months. So far this country has been shipping for only about four to eight weeks and clearances up to date have been very light. It certainly seems that the possibility exists that India may become a larger exporter this season. As a rule her consumption equals her production, but her crop is close to 350 million bu or more and therefore at a high enough price substitutes might be used and a larger quantity be available for export.

We also happened to have a telephone conversation with an important grain man in London today who seems to be very positive that Russia has started to offer wheat, and therefore practically every bushel which would be shipped from that country would lessen by an equal quantity the supplies needed from Canada this coming season.

Nevertheless the situation remains more or less uncertain as the Canadian crop seems to be going backward right along. There were no rains overnight and while temperatures remain fairly satisfactory, the forecast for tomorrow indicates another twenty-four hours of dryness. However, with our winter wheat crop now made, provided the spring wheat crop comes through, North America even assuming that Canada has a very small crop, would easily produce 230 million bu more wheat than last season. If we then deduct approximately 130 million bu less carryover, we still have 100 million bu more wheat available for export in the two countries than we had in 1936. This might be plenty for all purposes as far as European and non-European countries are concerned, particularly so if Russia would enter the picture. However, in making this calculation we assume the present spring wheat crop will not deteriorate further from now on, but as this is no certainty the excitement probably will continue for another week or two, when the actual result will be better known and when we shall no longer deal in theories.

In the meantime the wheat movement continues on a very large scale, showing that farmers are well satisfied with the present price level; and receipts at Fort Worth, Enid, Wichita and Hutchinson today were 1,287 cars compared with 644 cars in 1936. The primary movement is also very big, being 3,481,000 bu vs. 2,247,000 bu last week and 3,291,000 a year ago. This, of course, brings about heavy hedging sales which have to be absorbed by new buyers, and if pressure from these sales comes on the market at the same time as other liquidation takes place it causes quite sharp reactions. To this we must attribute the declines from the high levels of both yesterday and today. It is our belief that the heavy movement will continue for a long time; this is a reality, while the deterioration in the Northwest so far is only a possibility, but yet we all know that this is the time of the year when sometimes black rust develops, and has done more or less damage in other years when weather conditions were favorable for the development of same.

The trade today did not have encouragement from either the Winnipeg or the Minneapolis markets, where recently new high levels were established almost daily. More hesitancy was shown today in operations of the traders, and at the close our September future showed a decline of 1¢ per bu and the December 7/8¢.

(OVER)

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 8, 1937.

After the close of our session yesterday a very reliable concern, the Searle Grain Co., Winnipeg, came out with a report on the Canadian crops, giving the condition for each of the three provinces. This report was interpreted differently by various people as to the meaning in actual bushels, but from previous correspondence we had with this concern we infer that their correspondents are supposed to accept 20 bushels per acre as a yard stick. If this is correct, it would mean 193 million bu for the three provinces. Inasmuch as the weather continues to be bad we have to assume that this would be a maximum, and that the final outturn is likely to be still less. Therefore, the Canadian crop will have to be considered as a calamity; and is probably the worst per acre in over twenty-five years or more. In our opinion, there is nothing which can change this, and all calculations must be based upon this fact.

Europe construed it in the same way, and while cables were expected to be considerably lower following our late decline of yesterday, that market opened quite a bit higher, and at the close had advanced 1 5/8 to 2¢ per bu compared with yesterday.

There was, however, some offset to this bad news; threshing returns from many parts of the winter wheat states are showing up considerably better, and the total winter wheat crop is just as sure to be a large one as it is that the Canadian will be a poor one. Whether it will be more than the last Government estimate of 650 million bu remainsto be seen, but the biggest state, Kansas, now seems to have fared very well; Iowa reports that it escaped the rust damage, and parts of Missouri also give very high yields, offsetting the earlier poorer ones. Under these circumstances, the final outcome of the spring wheat crop will be the determining factor in the shaping of prices.

We have made extraordinary efforts to obtain a picture of the present outlook; and our conclusion is that like always, the spring wheat at this period is in the most critical stage of its development. The danger of black rust has not disappeared, although the present weather is not conducive to its spread, and the infestation is nothing like it was in 1935 when it did so much damage. In fact, we are advised that the greater danger at this time is deterioration from dryness and continued heat should the weather prove to be unfavorable.

It was reported that Europe was a heavy buyer ofCanadian wheats overnight, but in a general way millers abroad are not becoming excited and are only buying from hand to mouth. Wheat is being offered now from places which had very little last year. Black sea shipments this week were 808,000 bu compared with 168,000 bu the previous year in similar week; India shipped 1,008,000 bu against 32,000 bu in 1936. Broomhall continues to lay stress on the heavy offerings from that country. European crop prospects generally are mixed, but somewhat better than a year ago. So far sales from the United States, (which country in any case will have a large exportable surplus) are next to nothing, as other countries are still supplying all the needs.

Receipts in the Southwest were again enormous today --Fort Worth, Enid, Wichita, Hutchinson, and Salina receiving 1,607 cars against 771,last year. Primary receipts today amounted to 4,369,000 bu compared with 2,002,000 last week, and 3,823,000 last year. Kansas City alone increased its stocks this week by 1,058,000 bu, and we look for a tremendous increase in the visible supply next Monday. This large movement will continue probably all during this month, then when the spring wheat crop comes through, it will add to stocks, and finally the amount of hedged wheat will be very considerable. For this, new buyers will be required, and no matter what the outcome in price will be there might be a temporary situation which will affect values before any possible shortage could be felt.

(O V E R)

The open interest is now 88,804,000 bu of wheat; it increased yesterday 1,462,000 bu, but this, in our opinion, is only a small percentage of the hedging sales which come into the market, and the actual pressure now is more than offsetting the new speculative buying.

At the close the September wheat future showed an advance of 3/4¢ per bu, and the December 5/8¢ per bu.

This Canadian crop failure must be of immeasurable benefit to every American farmer, and we can hardly recollect in peace time a crop of this size having brought such satisfactory returns. If in addition, the price of hogs and cattle, of corn, oats and rye, and in fact everything which the soil produces is considered, one wonders whether the East, which is farther removed, thoroughly appreciates the beneficial results which must accrue to every industry, railroad, steamship, etc.

Corn was very strong for both the old and new-crop futures. There is still an open interest of over 6 million bu of July corn, with very small stocks here, and not much chance of bringing in a great deal from the country to fill contracts. New-crop futures are influenced by the lack of rain in some of the southwestern states.

Rye and oats were steady.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 9, 1937.

The early strength in the Liverpool futures was rather a sur-
prise to the trade in view of the fact that the Winnipeg market had de-
clined yesterday after their session had closed. However, at the last
he great strength was largely confined to the nearby future, which ad-
vanced 2 1/2¢ per bu, but the October and December gained only 1/4 to
/8¢.

European importers have been buying so sparingly lately that
veekly importations hardly cover their requirements, and stocks are
gradually being further reduced. Australia shipped during the week,
,050,000 bu against 874,000 last year, and Argentina 1,411,000 bu
ompared with 851,000 bu the previous season; so in spite of the clear-
nces from India and the Danube, North America will have to furnish the
argest supplies to fill present needs, anyhow until six months hence
hen the Southern Hemisphere will become active sellers provided both
ustralia and Argentina raise a normal crop. It is always difficult to
ell how much Russia will be able to contribute, but at the present
ime the weather is hot and dry in very large parts of her spring wheat
erritory, and it is therefore more or less unfavorable.

There were some rains overnight in Manitoba, and while this is
he smallest province of Canada, yet it is more or less important be-
ause crop prospects there are exceedingly good, and would there be any
amage there it would reduce the already estimated small crop for all
f Canada. While showers were predicted for Saskatchewan, it is almost
oo late to hope for much improvement there. Showers which are also
redicted for Alberta might be beneficial in some sections where the
rop has not deteriorated too much already.

There was some precipitation in our spring wheat territory, and
he weather is such that there are hopes now that there might be no very
erious damage from black rust this season. We say, advisedly, these
re hopes, because weather conditions are always very uncertain, and
here might still be some unfavorable changes, but this is more unlikely
han last week because in the meantime we do not think there has been
ny further rust spread. After all the crop has made good advances,
nd with fine growing weather we are gradually coming nearer to the
arvesting period, at least in the earliest districts.

Hedging sales continue to come on the market in very large
olume which make it much more difficult now to sustain advances.
rimary receipts were 4,257,000 bu versus 3,075,000 bu last week, and
,344,000 last year. Stocks at Kansas City increased so far this week
,764,000 bu, and we are prepared for a large increase in the visible
upply on Monday --same was the case a year ago when it increased
,577,000 bu.

The trade was very much lighter today, as speculators are very
ich puzzled as to what the Government report, which is to be issued
oday, will show. There is very little doubt, in our opinion, that
rospective yields in a number of states are smaller than they were in
e June report, but on the other hand in many states threshing returns
e so good that the increases might be fully an offset. Also we be-
eve the Pacific coast has a much better prospect than early in June.

The undertone of the market was rather weak, and at the close
ere was a decline of 2 1/4¢ per bu for both the September and the
ecember futures.

In the meantime the farmer is cashing in on his wheat crop; re-
ipts at Fort Worth, Enid, Wichita, Hutchinson, and Salina were
,374 cars against 756 cars a year ago. This is a creation of wealth,
e benefit of which will go to all classes. First, naturally, the
rmer profits from the high price he is obtaining. As he spends it,
e retail as well as the wholesale merchant will be able to increase
s turnover; railroads will handle larger quantities, and according
all previous records whenever the farmer's income increases, the
ount of wages and salaries which are being paid in this country gain
the same proportion through increased manufacturing, etc.

Corn, oats and rye all closed lower in sympathy with wheat.
e nearby corn future still remains on debatable ground, as the open
terest is still large, and it is not easy to accumulate much corn for
ly delivery. Toward the end of the month we expect much larger re-
ipts of oats. The rye crop is also very promising, and we should
el the effect of an increased movement in a short time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
I W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 10, 1937

Liverpool prices were affected by the rather bearish government
eport issued after our close yesterday. Values declined 1 1/8¢ to
1/2¢ per bu and weather in Europe was reported unsettled and cool,
ith showers in the western portion, also a claim that the recent rain
n Germany was beneficial for crop development.

As we now analyze the government report for a crop of 882 million
u for spring and winter wheat, it will be larger than the combined
rops of Canada and the United States last year. The winter wheat crop
f 663,000,000 bu is the largest in six years and should the present
stimate be maintained or enlarged in the final December figure, it will
e the eighth consecutive year that the final crop has been larger than
he June estimate. This should be particularly surprising this year
ecause of the many alarming and sensational reports which have been
eralded in connection with the poor crop prospect and the shrinkage from
ust in so many districts. It only shows that bad news travels much
aster than good news and apparently the great offsets in the better
erritories have been less advertised, or possibly have not been given
he same prominence as the many poorer reports. It is also noteworthy
hat the present estimate is for a crop of 256 million bu larger than
he poor one which we harvested last year. Of course, there are a great
any people who may claim that possibly some deterioration has taken
lace since July 1, when the government statistics were compiled. On
he other hand, the government only figures that Kansas will produce
38 million bu and judging from the present threshing returns and the
ood yields in many sections, this may finally prove to be anywhere
rom 15 to 20 million bu too low. So there are some reservations to
ake care of the poorer districts and we should not be at all surprised
f next December when the wheat has been fully counted there will be
ound more actually grown than is now in prospect.

As far as the spring wheat crop is concerned, the figure of
18 million bu appears conservative unless great damage from rust should
ake place within the next two weeks. However, based on 20 million
cres, present figures do not call for very large yields. There was
lso a Canadian crop report late yesterday which gave no figures on the
ushels but claimed that the condition was 51 per cent of normal
gainst 85 per cent last year. Applying this to their estimated acre-
ge we would figure that on the present prospect the crop might turn
ut about 205 million bu for the West, and if we add 17 million bu
hich is grown in the East, the total crop would be about 222 million
u. There may have been some deterioration lately, although just at
his writing beneficial rains are reported in Manitoba and light show-
rs occurred in one or two places, both in Saskatchewan and Alberta.
here is some likelihood that more moisture will be received over the
eek-end.

Receipts again were enormous-- Fort Worth, Enid, Salina, Hut-
hinson and Wichita had a total of 1,308 cars as compared with 730
ars last year. In Kansas City there were 1,924 cars received vs.
,087 year ago. Primary receipts amounted to 5,203,000 bu, almost
ouble of last week, and compares with 4,637,000 bu the previous year.
o far this week stocks at Kansas City, Duluth and Minneapolis show
n increase of 2,526,000 bu, and tremendous accumulations are bound to
ake place while the movement is under way.

Toward mid-session reports of rust damage from the Northwest
rought about a rallying tendency, so that losses for the day were not
arge, amounting to 1 1/4¢ for the September future, while the Decem-
er was 1 1/2¢ per bu lower.

Corn was very weak at times, as crop estimates indicating about
ne billion bu more than last year with fewer hogs to feed was regard-
d as bearish. However, firmness developed when wheat recovered, and
egained part of its loss.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 12, 1937.

Liverpool cables were quite strong today, their futures advancing 1 1/8 to 1 7/8¢ per bu. Broomhall cables that their market was influenced by the late strength in Winnipeg and a report from reliable sources that the Canadian crop is going back. Nevertheless foreign millers seem to be very reluctant to make purchases at the present level of prices. World shipments were extremely small, only 5,864,000 bu compared with 8,879,000 last week and 7,305,000 bu last year. This is considerably under their weekly requirements and they can only get along with these small quantities from abroad by permitting the amount on passage to be continually reduced. Last week the reduction was 1,700,000 bu, and the on-passage statement shows only 32,448,000 bu, which, however, is still larger than it was last year, when the amount afloat had been reduced to 24,936,000 bu. Of course, we have seen English merchants overstay their market at times, but as a rule they are very shrewd and for the present they must be under the impression that cheaper supplies can be had from other quarters than North America, or else their home crops will be available soon, so they will be able to get along with moderate importations until later on when the Southern Hemisphere will offer large quantities, provided crops there come through all right.

It is much too early to make any predictions on these crops, except that the acreages have been largely increased in both Australia and Argentina, and with yields per acre such as last year, they might easily produce 25 million bu more on the additional acreage planted.

They had fairly good rains in Alberta and northern Saskatchewan but it is claimed that the precipitation came too late to do very much good, and during the most part of the session the Winnipeg market was so strong that great credence was given the low estimates made for Canada. It is generally surmised that that crop has gone back further since the official report came out two days ago, giving the condition as of July 1.

The Northwest territory is being visited by many crop reporters, and it is difficult to find a single one who is optimistic about the outcome of the spring wheat crop; private reports are also to the effect that wheat has suffered severely. It now remains a question how much of a reduction is likely to take place from the 218 million bu spring and durum wheat estimated by the Government.

In analyzing the report we find that the two Dakotas, Minnesota and Montana would yield 119,656,000 bu spring wheat, and 29,566,000 bu durum wheat, and all other states 69,424,000 bu spring wheat. We assume that the durum wheat is comparatively rust resistant, and therefore might not suffer very much. The spring wheat outside of the four states, particularly on the Pacific coast, is getting along all right, so the two items in smallest danger would amount to 99 million bu. If the reduction in the four spring wheat states would be 25 per cent of the estimated 120 million bu on July 1st it would be 39 million bu, so that even then the total United States wheat crop would still be a very large one. This particularly so as the government estimated the Kansas wheat crop at only 138 million bu, and it is not at all unlikely that the crop will turn out to be 20 million bu more judging from the wheat returns we are receiving now. Oklahoma also might have to be increased, so we are not facing any calamity as yet, as far as this country is concerned.

There naturally are a great many uncertainties yet in the situation as affecting price levels because the European crops also cannot as yet be estimated very closely,but the German crops have improved some; Italy promises larger yields than last year; France, including her colonies, will be reasonably independent; but the Danubian provinces are yielding less, but how much of that will be made up by Russia and India remains an open question for the present.

(O V E R)

In the meantime the Southwest movement continues to be enormous and receipts at six points: Enid, Fort Worth, Hutchinson, Salina, Wichita and Kansas City amounted to 4,990 cars compared with 2,836 cars last year. As a consequence of this heavy movement the visible supply is increasing very heavily, today's increase being 11,459,000 b This compares with an increase of 7,577,000 bu last year, and the total visible supply now is 27,660,000 bu versus 32,255,000 bu in 1936, or 4,595,000 bu less. We feel very confident that terminal stocks will increase for a long time, and by the time the winter wheat movement lets up to a considerable extent supplies in the spring wheat states will probably increase, so it will be necessary to find new buyers right along to absorb the hedges. This has been only reasonably well accomplished so far as the open interest is only 91,292,000 bu, although it had increased onSaturday 3,164,000 bu.

Primary receipts continue to be large, amounting today to 8,615,000 bu against 6,211,000 bu in 1936 similar week.

Considering the great many unfavorable reports we have received from so many quarters, the market made a very poor showing. Of course, this is entirely due to the fact that the speculator at present has very little to say. His new purchases for a time are likely to be offset by hedging sales, and if at any period hedging sales and liquidation come on the market at the same time it depresses it. This may all change later on after the crest of the movement is over, depending upon circumstances and conditions then.

At the close the September future showed 1¢ decline and the December 1/2¢ per bu decline.

There were very good rains in many parts of the corn belt, which weakened the December future a great deal , as it improves the crop prospects materially. The nearby futures suffered in sympathy.

Oats were rather weak, and a big movement is in sight very shortly.

Rye kept comparatively strong.

UHLMANN GRAIN CO

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 13, 1937.

Crop reports from both Canada and our spring wheat territory were ot any worse than during the last week or so; but some of the es-imates on the probable final outturn have been so low already that he trade remains in a very frightened mood, particularly if Minne-polis or Winnipeg markets show strength at any time.

However, the chief feature today was the sudden revival of ex-ort business for Canadian wheat. The great strength abroad probably ade this business possible. It was reported that about 1 1/2 million u of Canadian wheat was worked overnight. There is still plenty of ld Canadian wheat to spare; stocks available for export and carryover s of July 2nd being 53,069,000 bu. Therefore, assuming that 4 mil-ion bu would be exported weekly until August 1st there would still e a carryover of about 37 million bu.

There were also reports that about 30 to 40 loads, or equal to 40,000 to 320,000 bu of hard winter wheat, were worked from the gulf. s we ourselves are very close to this business we have some doubts hether this quantity was exported, but if it was, sales must have een entirely speculative and either without any profit or at a loss. e find it impossible at the present time to buy wheat for the gulf hich could be sold abroad to good advantage; but even at that, we are ery close to a working basis and any declines in the premiums no oubt would lead to some transactions.

Weather, if anything, was more favorable. They had rains in arious parts of Canada, with more expected, but the assumption is he precipitation came too late to do much good. There were also howers in different sections of our Northwest, which must have been ery helpful, except that it increases the fear of black rust spread-ng. We ourselves believe that just at present the danger from rought is greater than that of black rust damage and, therefore, feel hat the spring wheat outlook in the four states is not any more dis-ouraging than it was.

As far as the foreign crop outlook is concerned, we understand hat the Italian production probably will not be sufficient to make er independent, but her importations will be considerably less than ast year, when they were excessive and when her crop was way below verage. Russia's outlook is still quite favorable, although some eduction has taken place of late, and it will probably remain un-ertain for some time whether or not she will become a fairly large xporter. Crops in the Balkan states have improved of late; and rance will produce more than last year. Poland will raise less than he average and Germany had good rains which were beneficial, but yet er total outturn will be only moderate.

In summarizing the whole situation we believe that Europe and ex-urope probably will be able to get along with moderate quantities, rovided Europe pursues the same policy as heretofore and buys only paringly until the results of the Southern Hemisphere are better nown. There are some fears now on part of importers on account of e continued dryness in the Argentine. Their season corresponds o January in this country. As far as the wheat crop is concerned, t is a little too early to cause much alarm. Later on should these rops in either or both Argentina and Australia deteriorate it might hange the whole price structure from what it is now. For the present e have not yet reached the crest of the movement in the United States, lthough receipts today, being Tuesday and usually the lightest day f the week, were very moderate.

Primary receipts were 3,660,000 bu compared with 3,455,000 bu ast year. Considering the much bigger crop this year this is not particularly good showing. However we understand that Kansas City lone has 8,000 cars on track which had not been unloaded; we believe e same situation exists at other terminal points in the Southwest, d no great efforts are being made to bring in the grain until the ongestion can be relieved and the tracks cleared. Think the pressure f hedging sales was smaller today, but still believe they will con-inue for a long time, although probably on a more modest scale.

However when all the grain which is on tracks now has been unloaded the visible supply will show a very material increase, and what heig it will reach will depend upon how much spring wheat will be added t the winter wheat stocks.

There was hardly a period of weakness during the session, and as it progressed confidence grew, particularly as the spring wheat marke all were very strong. At the close both the September and the December futures advanced the full 5¢ per bu limit permissible in one day.

The weather over the corn belt was extremely favorable, good rains having fallen in many places where wanted, and must have improved crop prospects greatly. However the strength in wheat had a sympathetic effect on corn, and the new-crop future advanced in spite of the fine outlook. Old corn remains extremely scarce, and shorts in the nearby future are not finding it easy to buy sufficient quantities to fill their contracts. This keeps both the July and September corn in a very strong position.

Oats and rye also benefited very largely from the great strength in wheat, although there was no change in the very hopeful crop prospects.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 14, 1937.

Early cables showed a very poor response to our great strength here and at Winnipeg, where markets advanced yesterday fully 5¢ per bu. They were influenced by reports of considerable precipitation in Canada, at many places, but less attention was paid to this item here as it is assumed that no matter how much better weather conditions will be from now on the Canadian crop will be a very short one. The most reliable estimates now are about 175 million bu for the three provinces, which would be about 30 million bu less than the last government report.

A lower opening had been anticipated but the decline early was only fractional and immediately the market advanced very sharply, gaining almost 2¢ per bu. This was caused by very heavy purchases on part of domestic millers and a large flour business overnight has been reported. This, of course necessitated removal of hedges. In a nervous market such as we are confronted with at the present time with the bullish feeling which generaly exists, a firm undertone existed during the first two hours or more of the session.

The trade is imbued with the idea that the spring wheat crop will be a very poor one and, while this probably will be partly true, we think the very pessimistic estimates are not in order and that finally the results realized will be reasonable unless there is further damage than what we look for now. The time for maturing the crop is very close at hand and we have taken great pains to ascertain the actual situation as it looks just now; we are led to believe that the biggest damage in any of the spring wheat states is in North Dakota and of about 80% of the standing acreage there might be 40% loss on account of rust, or, roughly 30% of the total acreage. The government report for North Dakota was approximately 52,478,000 bu and 30% loss would be 16,600,000 bu. Damage in South Dakota is probably 20% or 4 1/2 million bu. Montana doesn't seem to have suffered any and the situation in Minnesota is mixed, but the crop is very far ahead and a 20% damage would be 4,600,000 bu; a total for the four spring wheat states would be 25,700,000 bu. This would reduce the spring wheat crop in the four states from approximately 119 million bu to about 93 million bu. If we add to this 29 million bu of Durum wheat, which so far has been rust-proof, and 70 million bu of spring wheat raised in other states, chiefly on the Pacific Coast where the outlook is very excellent, we would have a total crop of 192 million bu and a reduction of 26 million bu from the last government estimate. We still believe that Texas, Oklahoma and Kansas easily can make up this deficit. There might be some losses in other states but we see no great reason yet to believe that the final wheat crop will be below the 882 million bu estimated in the July government report. What wheat will be worth under these circumstances will depend very largely upon the outcome of the Southern Hemisphere crop later on, and European processors willbe very largely influenced in their buying methods from reports as the season progresses --whether to continue the policy of buying from hand to mouth or to lay in larger stocks.

At the present time there are no particular complaints received from Australia, although further timely rains during the season will be required to have satisfactory crop developments. A similar situation exists in the Argentine, where some rains were reported a few days ago, but more moisture will be welcome. European crops promise much the same results as last season when total yields were 1,471,000,000 bu --somewhat less than the season before. The Russian spring wheat crop is about three weeks from harvest time and the weather at present is very hot, which is unfavorable, but the quality promises to be good and it is expected there will be an exportable surplus this year, but so far no charters have yet been made and until the time for the movement advances further it is difficult to guess what the quantity available for shipment to the importing countries will be.

The primary movement continues to be large --4,306,000 bu compared with 3,625,000 bu last year and stocks at Kansas City so far this week increased 2,984,000 bu, which indicates a very large increase in the total visible supply next Monday. After many sharp fluctuations the close showed an advance of 1¢ per bu for both the September and December futures.

The new-crop corn futures were affected by the very favorable weather, which also influenced July and September sympathetically. Oats declined a little, and rye showed only fractional changes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
Y YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 15, 1937.

Liverpool wheat importers were very much cheered with the favorable news they received overnight about rains in many parts of the world where they were desired. There was very beneficial precipitation in the Volga region in Russia; of late there had been some fear that the good spring wheat prospects in that country might suffer considerably from drought. There were also good rains in parts of Australia and the drought had also been very largely relieved in most all of Canada.

As far as Canada is concerned, we have to recognize that the precipitation came very late and many acres in the three provinces will receive no benefit as the crops are too far gone. However, one thing is quite sure: that is, it will stop further deterioration where prospects were still fair or good, and over quite an extended area it may add 1 to 2 bu per acre at least to the standing acreage. Our Northwest also had sufficient moisture to stop further drought damage but too much rain would increase the fear of black rust damage, and, therefore, for another couple of weeks the spring wheat situation, as far as yields are concerned, will remain very uncertain as to final results. Nevertheless, we should say that to anyone who is not too possimistic by nature, the outlook today is more favorable than it was yesterday. There are still complaints about drought in part of the Argentine but this being the season in Argentina which compares to the month of January in this country, there is no alarm, and the situation could easily be relieved without any fear of damage, provided there would be precipitation during the month.

Liverpool, despite her very tight position in cash wheat, showed a very sharp decline in futures, their close being 2 3/4 to 4 1/4¢ lower than the previous day. The sharpest break was in December wheat, which is selling in Liverpool at $1.41 3/4, or at a discount of 5 1/2¢ compared with July. We conclude from this that English merchants feel that there will be some relief later on, while not much hope for large supplies at present are apparent.

India shipped 544,000 bu of wheat compared with 64,000 bu last year; Argentine 514,000 bu vs 582,000 bu in 1936. It is quite evident that world shipments the coming Monday will show very small clearances from overseas, and processors seem to be still holding off as much as possible with new commitments.

There was hardly any business done either yesterday or today in Canadian wheats or in No. 2 hard wheats from the gulf. Prices seem to be way out of line compared with other countries, but of course those countries cannot furnish all the requirements and the importers may be compelled to finally pay North American values. At the present time gulf wheat is quoted considerably higher than Indian wheat and about 12¢ above new Argentine wheat for next January. It is also dearer than Australian wheat. Inasmuch as the Argentine wheat has only just been sown all offers coming from that country are purely speculative, but yet they have a sentimental effect and the tendency on part of consumers is still to buy from hand to mouth.

The open interest in Chicago wheat futures had been reduced to 83,904,000 bu on June 30, and has now increased to 94,264,000 bu, although it had decreased yesterday 2,145,000 bu. At the same time the visible supply, which was the lowest on June 21 at 9,657,000 bu, had increased by July 12 to 27,660,000 bu, and this explains at least partly how the hedges are being absorbed. We figure that in all likelihood our visible supply might increase to 75,million bu before the heavy winter wheat movement nears its end, and by that time unless the spring wheat crop goes to pieces there will be accumulations of spring wheat in Minneapolis and Duluth, and there might be another increase in the visible supply of 25 million bu. It is, therefore, quite evident that new speculative buyers will have to be found right along to absorb these quantities, and possibly it will be no problem

(O V E R)

to find sufficient new parties to make further investments in wheat, always provided, of course, that confidence is not shaken and that the belief continues that wheat will be worth the money or more later on.

At the present time export business is at very low ebb, and we expect North American clearances for the month of July to be very moderate. It will finally be found that the United States has a large exportable surplus which must be disposed of at one time or another, and the bulk of it will have to be sold during the next five months before we come into competition with the Southern Hemisphere.

Primary receipts were 3,783,000 bu, practically the same as last year when they were 3,781,000 bu, but considerably less than similar day a week ago when they amounted to 4,369,000 bu. We think we can see signs that the crest of the movement has probably been reached, but while the movement will let up some it undoubtedly will remain heavy for a long time yet. Kansas City stocks so far this week show an increase of 4,250,000 bu. As the tracks in that city are almost congested it would not be a surprise if the increase for the week in that place alone might be between 6 and 7 million bu. Therefore, the total increase in the visible supply might be tremendous.

Confidence in the value of wheat seems to remain unshaken by the country at large; the absence of export business and the news of rains generally brought about only a very moderate decline. At the close September wheat showed a decline of 2¢ per bu, and the December 2 1/8¢.

The corn belt has the most wonderful weather, perfect temperatures and soil conditions, which naturally depresses the new crop futures, However, there is no accumulation of the old corn to speak of, and the July and September futures remain very strong, with the open interest quite large considering that there is only a short period left until trading in the pit stops.

Oats and rye declined partly in sympathy with wheat. As far as the oats crop is concerned, it is also very promising.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 16, 1937.

The Minister of Agriculture at Ottawa is quoted as saying that the wheat estimate for the western provinces of Canada is the lowest since we have had anything like the present acreage. He claims about 150 million bu for the three provinces, which would be approximately 50 million bu less than the last government report. This would give a smaller Canadian crop than anybody had anticipated, and where supply and demand are so closely adjusted an additional loss of 50 million bu would naturally make a very big difference in the price level.

Liverpool had this information before our session had opened, but they remained quite indifferent to this news, early cables being actually lower than their previous close. They evidently assume that the rains which had fallen during the last two days might have improved the Canadian crop prospects sufficiently so that possibly from now on estimates as to the yields will have to be raised. However, the Canadians who see the great disaster with their own eyes are very much imbued with the idea that Canada will have only very little wheat left for export this season, and when that market strengthened considerably it sympathetically affected all other wheat centers.

In the meantime the export business from North America is at an absolute standstill, and this has been the case now for some time. Clearances from the various countries are very small --Australia shipped only 1,120,000 bu, Argentina 670,000 bu, and as India and the Danubian provinces together will probably not have over one million bu, even assuming that Canada has shipped her usual quota, world shipments next Monday will show up extremely small. No doubt the amount on passage will be further reduced as the present arrivals abroad are not sufficient to cover the weekly needs. This, of course, cannot go on indefinitely, It is pretty well known what the requirements of the importing nations are, and as far as the exporters are concerned there is not one single country which could supply a large quantity, except the United States, until later on when the Southern Hemisphere will harvest its new crop. Fortunately this country will probably have raised 200 million bu more than is needed for home consumption, but having so little competition, and with the feeling prevailing at the present time amongst both farmers and traders, no doubt a good price will be exacted for whatever Europe must buy from here. Just now we are still way out of line, and consequently with the heavy movement going on all the time stocks will continue to accumulate.

Evidently speculators are sufficiently sure of the correctness of their views so that they are willing to wait until the better demand arrives from Europe. The open interest is steadily increasing, gaining 1,435,000 bu yesterday, and now amounts to 95,698,000 bu. This process must continue for the present if prices are to be maintained or advanced further.

Receipts at interior points in the Southwest --Amarillo, Enid, Fort Worth, Wichita, Hutchinson and Salina were 1,019 cars, against 594 a year ago. Primary receipts were larger than both last week and last year, being respectively 4,332,000 bu, 4,257,000 and 3,824,000 bu. Stocks at Kansas City alone have increased so far this week 5,548,000 bu.

The weather in the Northwest continues rather favorable for the filling of wheat, but black rust is there, and it is impossible at the moment to tell just how much damage it will do. It will be another two weeks, or until early in August, before spring wheat commences to be harvested, and this will remain a period of great anxiety because uncertainties will continue as to how much damage had been done and might further occur provided the rust spreads.

At the close the wheat market showed an advance of 3¢ per bu for the September future and 2 1/2¢ for the December.

It is impossible to have any very positive opinions until the outcome of the crops is better known. In the meantime there is a mob psychology of sufficient importance to bring about large fluctuations either way depending upon the momentary news.

Corn, oats and rye all profited from the great strength in wheat, but the December corn was the least affected as crop prospects are so excellent that the trade is relying on an outcome of very large yields. The old corn, however, remains scarce. The open interest, while declining, still amounts to 4,278,000 bu for the July, with very little corn here at the present time for delivery. Shorts naturally are very nervous.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 17, 1937.

Liverpool was fully responsive to the sharp advances which took place here and at Winnipeg yesterday, and closing quotations showed an advance of 3 1/8 to 3 1/4¢ per bu. According to presumably reliable information, the German wheat crop will be about 15 per cent below average due to early adverse weather. Broomhall now figures that while exporting countries of Europe will produce 60 million bu less wheat than last year, non-European countries will have 256 million bu more than a year ago on basis of a Canadian crop of 192 million bu. Importing countries of Europe expect to produce 76 million bu more than last year, so the total supplies in the Northern Hemisphere may be 272 million bu greater than in 1936.

There is still a great deal of apprehension about Canada, and a variance in estimates, although the Canadian National Railway believes that the three provinces will produce about 175 million bu. Our own reports indicate that the spread of rust is not serious at the moment. We are told that the infection is standing still with wheat filling rapidly, and some of the grain is in the hard, dough stage, but ripening very slowly. Up to now July temperatures were below normal, and from that point of view afforded a very encouraging outlook as the plant escaped serious damage from rust.

As of late the market was inspired by a buying psychology, and first prices were somewhat higher, but with additional hedges coming into the pit, absorption was not as extensive. We figure that on Monday the visible supply will have increased to about 40 million bu. We also believe there is probably enough wheat on tracks around the Kansas City market to possibly add an additional 10 million bu to the visible supply when unloading of the grain becomes possible. There will, of course, be further increases because wheat from the soft winter wheat states has hardly moved yet, and a little later, even with the reduction in the spring wheat crop, we are bound to have accumulations in the Northwest. Having this in mind the present price suggests some caution, and we believe that in another two weeks we will be influenced more by actual facts than by theories.

It is difficult at this stage of the game to get an accurate idea of spring wheat crops. That there are some exaggerations must be well appreciated from the fact that bad news always travels more quickly than does good news. We have just seen that the winter wheat crop in many places is exceeding earlier expectations, despite visitation of rust in many sections.

Canada remains excited, and in spite of any improvement from recent rains no one can overlook the deplorable plight of the farmer, particularly those located in the bad areas. As of July 10th there was about 50 million bu of wheat remaining for export and carryover. Assuming shipments of 4 million bu weekly, there will be a carryover of about 38 million bu on August 1st, which is, of course,a large reduction from recent years, but yet something to fall back upon.

In all probability Liverpool will be relatively firm on Monday, although there was reported active short covering today on the expectation of small world shipments and a further reduction in the afloat stocks. This was said to have been an offset of the increased duty of 13 per cent by France on wheat imports.

Receipts should be larger now in Chicago, and possibly we will have 600 cars here on Monday. The Southwest movement is still holding up pretty well, as Kansas City had 1,140 cars today, or almost double of what they were last year. In the interior the comparison was not quite as striking, although Fort Worth, Enid, Wichita, Hutchinson and Salina had a total of 738 cars against 493 cars last year.

At the conclusion of the day's trading, September and December wheat showed a slight decline amounting to about 1/2¢ per bu.

Corn was easier, particularly the December future, which is being influenced by the fine progress of the growing crop. Considering that July is ordinarily a dry month we are getting fair amounts of rainfall which is, of course, beneficial.

Oats were somewhat lower. Rye was irregular, but the nearby month was very strong, although trade was not large.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 19, 1937.

Liverpool wheat cables were reasonably firm before our session opened, but after we declined here they were quick to follow, and at the close there was a net decline for the day of 1 7/8¢ per bu on all three futures.

World shipments were extremely light, 5,391,000 bu compared with 5,864,000 bu last week and 6,828,000 in 1936. Considering that weekly needs are estimated to be about 10 million bu, these arrivals in Europe are not anywhere near sufficient to cover the wants and the amount on passage continues to decrease. At the present time it is 29 million bu vs 32,448,000 bu last week and 22,568,000 last year. Nevertheless, there was no export business done over the week-end, and this attitude on part of foreigners can only be explained by their mental state. They figure that by the time they would buy wheat for present or early August shipment, it would not arrive much before their own harvests come on the market and that later on by pursuing a waiting policy, they will be able to trade to better advantage. Of course, they are thoroughly posted as to the crop outlook in North Americ and other exporting countries, but evidently they feel satisfied that there will be no world scarcity of wheat and possibly they consider the most pessimistic reports coming from here as not being entirely justified. They have had long experience and know that just as often or more so crops finally turn out better than they are reported.during the growing season. This just occurred in winter wheat when after an early drought, which destroyed many acres, and in spite of other diseases, including black rust, which hurt the wheat plant, the government finally in its July report estimated the largest wheat crop since 1931.

There were again some reports from the Northwest about the spring wheat crop which appeared quite alarming, but we were very fortunate in receiving private reports from large line elevator concerns, which are very much interested in what is going on, their livelihood depending upon that, and they advise that the crop in the Northwest has improved considerably during the last few days.

Regardless of what ultimate values will be we shall have to consider the present technical situation. Later on much will depend upon the outcome of the crops in the Southern Hemisphere. Should they have a calamity, of course, nobody could tell how high wheat might rise; but with normal crops it appears to us as if there will be plenty of wheat after January.

In the meantime our open interest has increased to over 100 million bu. The last 15 million bu purchased by traders or speculators came mostly from hedgers, and therefore the market is more vulnerable because part of this long wheat might come on the market and there is no chance yet of any reduction in hedged wheat -- on the contrary, there will be more right along for some time. The visible supply today increased 21,861,000 bu compared with 11,459,000 bu last week and 13,739,000 bu last season. We believe this is the biggest increase in the visible supply which has ever taken place in one week. The largest increase which previously took place on August 10, 1929, in one week was 18,626,000 bu. Inasmuch as Kansas City alone probably has over 10 million bu of wheat on tracks and is still getting very big receipts, the chances are that next week will also show another large gain. Unless there should be a large export business these increases might continue until the close of navigation, although it must be taken into consideration that possibly the movement compared with the size of the crop is larger than usual because the farmer is well satisfied with the price. He seems to be about the only one who considers wheat is high enough, while the city specialists believe in a scarcity and think prices ought to advance accordingly.

Primary wheat receipts continue to be large, but nothing like they were last week, and possibly the crest of the movement has passed. They amounted to 6,669,000 bu versus 8,615,000 bu last week and

(O V E R)

5,227,000 bu last year. Stocks in Chicago show an increase of 1,548, and the total is now 2,770,000 bu. Wet weather prevented a heavy movement from Illinois and Indiana, but we think in due course of tim stocks here will gain very rapidly, and there will be plenty for September delivery. We do not anticipate that this future will remain at such a small discount under December, and when September liquidation starts during the middle of August, the difference should widen considerably

After many fluctuations the close showed a decline of 1 3/8¢ per bu for both the September and December futures.

Corn, oats and rye are feeling the effect of the very wonderful crop prospects, and the new-crop futures in particular were very weak As far as July corn is concerned, the open interest declines only ver slowly, last Saturday it being 3,898,000 bu, with very few trading days left to even up contracts, and during the last three days of the month contracts can only be filled by actual deliveries.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 20, 1937

Early cables were quite firm due to short covering on advices reporting rust damage in our Northwest, and the purchase by Japan of a small quantity of Australian wheat. The latter caused nervousness over the eastern political situation. However, the cash demand remains very quiet, although about 800,000 bu of Canadian wheat may have been worked overnight.

European crop prospects in the main are still quite satisfactory. The spring wheat crops in Russia have been benefited by good rains recently, and the harvesting of winter wheat crops is progressing favorably. In Rumania wheat yields are exceeding early expectations, and the outturn is satisfactory as to both quantity and to quality. Recent Italian advices indicate that a good wheat crop is being harvested in that country, and some optimists believe there may be sufficient for home needs. In any case with a crop of possibly 66 million bu more than last year, and a stringent financial situation it is almost a foregone conclusion that her purchases will be smaller than the preceding season. Yields in France promise to be fair-- in any case larger than in 1936. Germany seems to fare worse than almost any of the other big countries, and her wheat crop will be much below normal. However, this does not necessarily mean that she will become a very heavy wheat buyer. Germany is a big producer of rye, a large part of which is generally fed to animals. If provisions are made (and we understand they will be) that a larger quantity of rye will be used for human food and in its place greater importations of corn and other feedstuffs take place, she may get along all right without suffering much. As a matter of fact it was reported that she had already purchased overnight almost 2 million bu of Argentine corn.

This is one item to which we think not sufficient consideration has been given by the trade when comparisons are made as to the amount of wheat available last year and this s eason. Last year the drought not only played havoc with wheat, but also corn, oats, rye and hay suffered a great deal, and there was not much chance of substituting one cereal for another; there was a general shortage, while this year's crop of feedstuffs promises to be very abundant. In any event we shall use less wheat for feeding animals in this country; also in many countries where economies have to be practiced such shifts will take place that wheat, the more expensive of human foodstuffs, will be conserved and wherever possible other cereals will be used for purposes where they will serve as well as wheat. However, in the absence of any large export business from the United States and only a normal milling demand with no intention on part of the larger processors to lay in heavy stocks, we have to deal at the present time with the domestic situation. This seems to work rather against the buyer of futures as s tocks continue to accumulate, the movement keeps large and hedges have to be absorbed right along by new investors. It so happened that today there was also fairly liberal liquidation, caused by slightly better reports from the Northwest, and, therefore, sharp declines took place.

The open interest increased yesterday 4,637,000 bu and is now 105,114,000 bu compared with approximately 75 million bu similar day last year. With such a substantial open interest it is only natural that from time to time somebody wishes to take profit and the situation is entirely different from what it was before the new crop started moving and before the visible supply had increased so materially.

Primary receipts of wheat were 3,523,000 bu, somewhat smaller than a week ago, when they amounted to 3,660,000 bu, but considerably larger than last year when on a similar day in 1936 we received only 2,594,000 bu. Kansas City stocks increased for one day over 2 million bu and the indications are all in favor of further increases in the visible supply as time goes on. As a general rule spring wheat moves in much larger quantities to terminal points than winter wheat, as, of course, Minneapolis is the great milling center and Duluth the great shipping point, particularly to Buffalo. Therefore, even on the assumption that the four spring wheat states should raise only 100 million bu or so, we look for a very heavy movement when the time comes, say, starting early in August or the middle, and stocks at these two points

(OVER)

will also increase very heavily, adding to the burden, until later on demand overtakes the new movement.

Harvest is now beginning in the southern sections and will be general about July 26. We hear some yields of wheat averaging 13 bu per acre. The last government report gave an average yield of only approximately 9 bu to the acre for the four spring wheat states. This ordinarily would be considered a failure, and while it is true that there are many parts where hardly anything will be harvested, if the weather from now on is favorable so that there would be no larger amou of rust damage than is anticipated now, we may yet raise a fair sprin wheat crop.

At the close September wheat showed a decline of 5¢ per bu and December 4 3/4¢ per bu compared with yesterday.

Corn, oats and rye all closed lower, partly in sympathy with wheat. The oat movement will start in large volume before long. Corn is being brought here not only from the Argentine, but also from Europ to help fill July contracts. It is quite natural that as long as American corn is so much higher than anywhere else in the world, it should be attracted to this market wherever available.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 21, 1937.

Liverpool wheat cables were very weak, active futures declining 4 5/8 to 4 7/8¢ per bu. This was nothing but a reflection of our sharp break here of yesterday and was only of minor importance. However, what is more significant is that even on this decline there was hardly any new export business in either gulf or Canadian wheats, thus indicating that the big millers abroad, while they may be wrong, are not considering the present price level attractive to lay in big stocks for future wants and continue to buy from hand to mouth. As long as this continues it might develop into an endurance game on part of American farmers and the public, who are now holding a large quantity of wheat which they think will be sold abroad at some time, and the foreigners, who know they need our surplus wheat this year, or at least a part of it, and who would like to obtain it at as low a level as possible.

For the present our traders and speculators who have accumulated large lines of wheat futures are at a distinct disadvantage. The open interest was only slightly reduced yesterday, 608,000 bu, and is still 104,506,000 bu. With such a quantity purchased in anticipation of higher prices, there will always be some who wish to liquidate and we had several such selling spells today, which at one time brought about quite fair declines from the high point. However, the trade does not forget, and justly so, that this year the Canadian crop at the very best will be more or less of a disaster; and therefore hopes for a higher price level have not entirely disappeared, particularly as it is much too early to know the outcome of the crops in the Southern Hemisphere, and much will depend upon that later on. It may require a great deal of patience, however, as in the meantime according to our best advices the spring wheat crop outlook in the four Northwestern states has improved and there will be some very fair yields in many places which will bring up the average considerably. The black rust danger has not entirely disappeared but it is lessening right along and up to the present time we hear more of the existence of black rust than of very severe damage, taking the territory as a whole.

We believe that even the Canadian crop will turn out better than the very lowest estimates we have received of late, although we do not deceive ourselves that 175 to 200 million bu for Canada would be the best we could hope for just now.

There were reports today that concerns selling harvesting machines, binders, combines and tractors are doing an immense business, which seems to indicate to us that the farmer is more optimistic than some of the observers; and one would imagine that he is pretty well equipped to judge wheat prospects on his own land.

Primary receipts today were 3,420,000 bu, showing quite a falling off compared with last week when they were 4,306,000 bu, but a great deal in excess of 2,551,000 bu received last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 3,901,000 bu, foreshadowing another very large increase in the visible supply next Monday.

Generally speaking the market was much calmer than yesterday, although there were frequent fluctuations, and the close showed an advance of 3/4¢ per bu for September wheat and 7/8¢ for the December.

July corn showed the greatest weakness of all cereals. It seems the world had been searched for enough corn to be brought here for deliveries; supplies in the United States were so small that the object could only be accomplished by bringing it across the ocean from Europe or South Africa.

July oats were also lower due to heavier arrivals, and there probably will be enough coming here to satisfy all shorts.

The more deferred future of corn, December, was rather strong on fear that much warmer weather might occur and do some damage. However we believe we have had enough rain so that no more precipitation will be needed for a couple of weeks over most of the corn belt.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 22, 1937.

Foreign markets continue strong and we do not see how there could be any substantial decline in the value of futures abroad unless it is in sympathy with our markets. As far as Europe is concerned, there is no particular pressure at the present time, no large purchases had been made ahead from any of the exporting countries, and estimated Argentine shipments this week are only 184,000 bu compared with 1,589,000 bu last year. Neither Australia nor North America, which usually furnish the bulk of the requirements at this time of the year, have made any extensive sales of late; and clearances therefore will continue to be very light. As far as we know the export business overnight of either Canadian varieties or hard winter wheat at the gulf were very insignificant; therefore,the strength at Liverpool, where futures advanced 3/4 to 1 3/8¢ per bu compared with yesterday, was quite natural.

In addition there are many alarming reports about the crop outturn sent daily from both Canada and the United States, and when it is considered how difficult it is for us here, being so much nearer the scene, to form an accurate picture and make due allowances for the optimists and the pessimists, it is not surprising that foreign buyers at the present time are much at sea. If they continue to assume a waiting policy before taking the constructive side, it is very largely due to what they see with their own eyes at home and are rather impressed with the more favorable outlook for supplies on the other side of the ocean. They have become reconciled to the fact that Canada will assume a minor role amongst exporting countries for the ensuing year. However, the United States, which had been an importer last year, and practically only self-sustaining for a number of preceding seasons, is likely to export from 100 million bu upward during the next twelve months.

Crops in Russia are abundant and no doubt in due course of time we will hear of heavier sales, which will probably more than offset these smaller shipments which will be made from the Danubian countries. Outside of Germany most European importing countries have larger crops than a year ago and their requirements will be less; therefore, the present price may discount a great deal of the damage which had been done to the Canadian crop. China would be a larger importer this year on account of poorer yields but as a general rule the Orient is influenced more by the price level and never is a heavy buyer when wheat is selling too high comparatively with rice and other cereals.

As far as the domestic situation is concerned, there is a decided falling off in the Southwest movement. Fort Worth, Enid, Wichita, Hutchinson and Salina received only 481 cars compared with 266 cars last year. The primary movement is also smaller, 3,160,000 bu vs. 3,783,000 bu last week. This tendency of smaller receipts in the Southwest we believe will continue; but on the other hand for a while there will be considerably heavy shipments from territories tributary to Chicago and St.Louis, so that for the present we may look forward to continued increases in stocks. So far this week Kansas City, Duluth and Minneapolis show an increase of 5,034,000 bu; and we should not be surprised if the visible supply next Monday would be again very large --of course, much smaller than the extraordinary increase of 21 million reached last Monday, but nevertheless we might again gain from 12 to 15 million bu. This would bring the visible supply considerably over 60 million bu. Considering the fact that the tracks have not been anywhere near cleaned up, it might take only a few weeks more until our visible supply will be as high as the maximum reached in 1936 on August 29 of 78,445,000 bu. In 1935 the maximum was reached on October 24th, with 78,100,000 bu. It would not surprice us a bit if this year accumulations would continue as they did in 1935 until late in October, and later on spring wheat will furnish its share, so final visible stocks of 100 million bu or more would not be an unexpected quantity. This, in our opinion, would become very burdensome for the time being, regardless of what values might be after the turn of the year.

(O V E R)

The open interest increased yesterday 1,535,000 bu and now amounts to about 106 million bu. It will require many additions to that almost daily to take care of the new hedges which come on the market; and it is this situation which at the present time seems to make it difficult to boost prices and sustain them. Our long experience has shown us that the easiest times to advance prices are in those periods when stocks are small and hedges very light, so that any new buyer has to bid up for the grain when he wants it as he can only obtain it from somebody who had purchased it earlier or from a short. The opposite takes place when hedges come on the market, when there is always an abundance of sellers which makes the market not only more two-sided but with the weight rather against advancing values.

As the session progressed the weight of accumulated stocks whic had been hedged became too burdensome, and after the market started to decline heavy liquidation took place, so that at the close there was a decline in the September and December futures of 3 3/4¢ per bu compared with yesterday.

A contributing factor to the weakness in wheat was the sharp breaks in July and September corn. Heavy tenders were made today, which were rather unexpected to most of the bulls who figured that the shorts would not be able to carry out their contracts by actual deliveries but would be forced to cover their commitments.

Rye and oats were also influenced by the action of the other cereals, and at the close they were very much depressed.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 23, 1937.

Liverpool wheat cables were considered rather strong before our session opened and their net decline for the day was only 3/4 to 1¢ per bu, while our market had closed about 3 3/4¢ per bu lower yesterday. Since last Saturday when our September wheat closed at $1.28, we had a decline of over 10¢ per bu when it reached its lowest point today. Liverpool at the same time lost only 4 1/2¢ per bu. At one time today Liverpool July wheat was selling about 23¢ per bu over ours, which is an extraordinary difference, and even the October wheat was about 20¢ higher than our September wheat. It is true freight rates are comparatively high but as a general rule when these two markets are that far apart an enormous export business takes place. The fact that Europe is not fully acquainted as to the choice quality of the wheat in our Southwest this season may be one of the reasons why so far such few transactions have taken place. At that, however, some sales of hard wheat from gulf ports were made overnight and we are looking forward to a steady business right along now.

We have come to this conclusion because at least for the next five months the wheat which will be available outside of North America will be of rather insignificant quantities. Australia shipped this week 1,157,000 bu compared with 702,000 bu last season; and Argentina cleared only 196,000 bu versus 1,589,000 bu the year before. India and Black sea shipments together may only amount to a million bu, so even if sundry countries would furnish small quantities such as they did right along, there would be less than 3 million bu available for the week exclusive of the United States and Canadian clearances. Now as far as Canada is concerned, from reports we are receiving we do not believe at the outside she will export more than 100 million bu, if that much. This is entirely different from last year when she had a carryover big enough to export almost that quantity from the accumulated surplus in addition to what she raised above home consumption. This makes it very evident that the United States sooner or later will be called upon for larger quantities. While we have it to spare there is a question where the farmers have sold already such a large percentage of their crop, whether they will not be more reluctant from now on to sell freely after the severe price decline which has taken place.

The wheat market has now lost from the high point, within less than a week about half of all the gain it had made from the lowest level when it looked like we would raise a bumper winter wheat crop in the United States, with better than average crops in our spring wheat territory, and possibly fair yields in Canada. The damage which had been done in the meantime was sufficiently serious to change one's point of view, and it does not appear to us as if previously low prices are likely to be reached again. We fully recognize that there has been a very weak technical situation lately, which accounts for a large part of the decline which took place early today. The high prices which have prevailed from the start of the movement were very attractive to the farmer. The weather was also very favorable for a free movement, and in consequence of all this the accumulation of stocks was tremendous in a short time; while at first hedging sales were very well absorbed, as soon as the market started to waver new buyers became very scarce and with the heavy margin calls which have been sent out the last few days a great deal of liquidation took place.

Primary receipts of wheat today were 4,106,000 bu compared with 4,332,000 bu last week, and only 2,335,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 6,469,000 bu; it appears to us as if the increase in the visible supply next Monday might be as large as the one on similar day in 1936, when it amounted to 13,922,000 bu.

(O V E R)

After some more liquidation early in the session and possibly heavy short selling, the market staged quite a good rally. Evidently many people have come to the same conclusion --that wheat had declined sufficiently for the time being and that it is well worth while to await actions of foreigners and bakers as neither of them has made sufficient preparation for the future, and both have to buy larger quantities sooner or later.

At the close the market showed an advance of 1 3/8¢ per bu compared with yesterday.

July corn had another sharp break, and it seems at the big premium it is bringing over the other futures, quantities which will be delivered on contracts are more than the consumer wants for the time being. December corn, however, was relatively strong in spite of the favorable crop prospects, but we hardly think the price can be maintained later on when new corn actually moves.

Oats are moving now in liberal quantities, and in our opinion there will be great accumulations of stocks, which does not make purchases for a rise very attractive.

Rye kept strong in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 24, 1937.

Liverpool prices were somewhat higher, and at the close showed an advance ranging from 3/8 to 1¢ per bu. This was entirely expected in view of our reaction yesterday, but the surprising feature is that Europe remains so complacent in spite of the fact that the Canadian crop has gone backward, and makes very little attempt to buy our hard winter wheat in any volume. It was estimated yesterday that possibly 200,000 bu of United States wheat had been sold abroad, but the quantities since July 1st are very trivial. Perhaps it can be explained by the fact that until Europe finds out how the arrivals will test they are proceeding slowly in their buying operations.

There had been a report issued late yesterday by the Government showing stocks of old wheat in interior mills, and the figure was in the neighborhood of 12 million bu, or the lowest stocks on record since the figures have been compiled. However this did not surprise the trade, as it had been generally known that the carryover in this country was extremely small, and that as a consequence stocks in all positions must necessarily be light.

As far as crop reports are concerned, these were more mixed today --in some sections of the Northwest and Canada they were extremely pessimistic, and in other places not quite as bad. In any event, they have lost their market effectiveness for the time being, and harvest operations are being reported in many parts of our own Northwest so that little further deterioration can be feared at this time from further rust or drought. We recognize that this is not the period of the year when normally bullish operations are successful, and yet we feel that with the damage already sustained in Canada there will be a better demand now on part of Europe. We would also imagine that the domestic milling trade would pick up with more confidence being displayed on part of bakers. The movement of wheat in the central states is beginning to pick up, and for that reason we may expect hedging pressure for some time yet, and later on even a reduced spring wheat crop will have its effect. Therefore, wide price swings do not seem to be indicated at the moment.

The action of the market suggests that the recent heavy liquidation has not yet been fully digested; in any event, some of the recent sellers may not immediately go into new commitments, so with that in mind we are apt to have more quite markets until new incentives develop.

We expect that on Monday Liverpool will be fairly firm. There are some dry complaints coming from the Argentine; while it is still very early the Southern Hemisphere crops will be carefully watched, and this will also become a growing factor during the next few months.

World shipments this week excluding North America, are even smaller than last week, and there is bound to be another further decrease in afloat stocks. So the European markets can only become weak if the movement is initiated from this side.

Primary receipts today amounted to 4,005,000 bu compared with 2,567,000 bu last year, with carlots in the Southwest falling off somewhat. So far this week stocks at Kansas City, Duluth and Minneapolis show an increase of 7,596,000 bu. We look for a very good increase again in the visible supply on Monday.

At the last September wheat showed a decline of 1 3/8¢ per bu while the December declined 1 5/8¢ per bu.

There was a fairly active trade in corn, and the July delivery showed wide swings both up and down. The recent deliveries have tended to create a more bearish feeling on the December future. Sometime back traders, despite the fine crop prospects, were hesitant about selling December corn short because they figured that the discount was too large. However, at the moment more people are looking at the ultimate possibility, and with fine rains in Nebraska and Kansas, also some moisture generally during the month of July, it is felt that a large crop is in prospect. Therefore, sales of December corn on any bulge seem advisable.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 26, 1937.

The weather over Sunday was considered as very favorable in the Northwest where the spring wheat crop is fast maturing now and also for the Canadian wheat which had not been fully destroyed, temperatures being very moderate --nice and cool-- just what is wanted.

Liverpool closing wheat prices were considerably lower. They were partially influenced by the somewhat better outlook in North America and futures declined 2 1/8 to 3 1/4¢ per bu. Nevertheless we are advised that a cargo of two hard wheat was sold abroad; how much more wheat was worked we do not know, but it is always difficult to find out exactly as not all sales are being reported. However, according to the best information we have now from abroad, we are absolutely in line for United States wheat even to England, where there is a 6¢ per bushel duty compared with none for the colonies, and such a differential does not exist on the Continent. Therefore, we may look forward now to a steady business and heavier clearances until the importing nations can obtain their supplies from other quarters.

However, the outlook in this direction is not very favorable. Only half the normal exportable surplus was left in Australia and Argentine on July 1, approximately 45 million bu compared with 90 million bu a year ago. Therefore they cannot possibly cut any important figure as far as clearances are concerned for the present. How much Russia and India will furnish later on cannot be determined, but at the lower level of prices prospects for a large export business from these countries have somewhat diminished. As a matter of fact total world wheat and flour exports were only 6 million bu compared with 7,034,000 bu last year and supposed requirements of about 10 million bu. As a consequence the amount on passage had been further reduced about 2,600,000 bu for the week and it now amounts to 26,352,000 bu versus 20,376,000 bu last year. It is not likely that at any time the quantity afloat will be permitted to be reduced to less than 20 million bu and, therefore, larger importations are needed, and the bulk can only be supplied from North America. There are no new estimates out on the Canadian crop but at best nobody expects shipments to amount to more than 2 million bu weekly for this season. There is no doubt in our minds that during the next five months and until the new wheat in the Southern Hemisphere will be harvested, the United States will become the largest exporter. We feel quite sure that we shall have a sufficient surplus to supply all the demand and do not look for any scarcity; but nevertheless if these exports become regular business daily they would be a stabilizing factor to prices which had not existed before. This, however, should not lead to the conclusion that prices have reached the absolute bottom and that there must be a steady advance right along. But the situation between supply and demand will be so closely adjusted that any adverse factors in the Southern Hemisphere would cause excitement immediately in the trade and lead to new speculative commitments. This, however, is in the more distant future.

In the meantime continued accumulations are taking place, and while we may have reached the crest of the movement, it will be some time before stocks will decrease; and meanwhile the increases will have to be taken care of by new buyers who are willing to take the chance, figuring that a turn willcome later on when consumption overtakes new arrivals.

The open interest is still increasing, which is absolutely necessary to maintain the present level of prices, and is now 108,190,000 bu, a gain of 1,632,000 bu on Saturday. The primary movement is still very large, 6,363,000 bu; while somewhat smaller than the previous week when it amounted to 6,669,000 bu, it is way in excess of last year when the total amounted to only 3,625,000 bu. The visible supply shows a very heavy increase again --20,573,000 bu and is now 70,094,000 bu versus 59,916,000 bu in 1936, or over 10 million bu larger.

(O V E R)

Liquidation undoubtedly took place again today on a very large scale, many having been disappointed at the continuous declines. A the close there was a loss for the day of 2 5/8¢ per bu for the lea ing futures.

The weather for corn was extremely favorable, and a large crop is in sight now; with the amount of animals in the country largely reduced the quantity needed for feeding will be less than normal. Therefore, we may have the reverse of last season when there was a scarcity, and may now enter into great abundance. This naturally af fected the new-crop future --December--, but July and September also were very weak, and it seems difficult to maintain the big premium existing with deliveries taking place daily on July contracts.

The oat movement is increasing. This cereal also lost in price, mostly in sympathy with the other grains, but the quantity available will also be large.

Rye was very weak and possibly an export outlet will be needed.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 27, 1937.

The wheat crops in the Northern Hemisphere have sufficiently advanced now, both here and in Europe, so that we may form a reasonably accurate picture of the present supply situation. In compiling our statistics we have used mostly the estimates of the Bureau of Agricultural Economics at Washington, as of July 23. They estimate yields of twenty-six European countries, which are primarily importers, at 1,163,400,000 bu compared with 1,099,960,000 bu, or 63,440,000 bu more than in the past season. Among the exporting countries of Europe, Bulgaria, Hungary, Rumania and Yugoslavia are expected to raise this year 326,929,000 bu compared with 383,229,000 bu, or 56,300,000 bu less. Considering that the European carryover was reduced 85 million bu, there would be actually 78 million bu less wheat available abroad than the year before. As an offset the United States, taking the last government figures, will raise about 256 million bu more and Canada, assuming she produces only 185 million bu, would yield 34 million bu less than in 1936. So there would be in North America 222 million bu more wheat raised, with 144 million bu less carried over, or an excess of 78 million bu. In other words, crops in the whole Northern Hemisphere, together with their carryovers, promise to furnish a quantity exactly the same as in 1936.

We cannot neglect Argentina and Australia, although the outcome of their crops is still in the lap of the gods, but they will have about 21 million bu less wheat for export during the balance of the year than they had in a similar period last year; but there would be again an offset from Russia, which might easily export that quantity and more. Of course, the crops in the Southern Hemisphere might also be larger or smaller. Last year at one time wheat went 20¢ a bushel higher than it is now, but did not finally hold.

It, therefore, seems as if we would have another year of a very close adjustment between supply and demand. If this is correct, we may only conclude that very cheap prices for wheat are most unlikely; but as a general rule, even in scarcity years, it takes some time before this is felt. Consequently, we may not feel the effects until the heaviest movement is over. In the meantime, however, there is apt to be much encouragement from abroad, as importers have only very few places where they may obtain large supplies and they must meet American holders' views and pay their prices.

Liverpool was quite strong this morning, showing an advance of 1/4 to 1 3/4¢ per bu. Undoubtedly there is some business done every day, but it is difficult to figure the quantity. It is a fact that already one million bu of United States wheat was cleared last week whereas very few sales had been reported, showing plainly that the demand is there and that transactions are taking place almost daily. The English market was influenced today also by cables from Australia reporting dryness in parts of that country; this demonstrates the nervousness of the trade, as crops there are no further advanced than are ours in mid-winter. However, the world in general depends so largely upon wheat supplies from the Southern Hemisphere that any adverse news items has its influence immediately. The drought in Argentina also has not been relieved, but we still believe there is plenty of time for precipitation before any real damage is done.

The German government issued a decree calling for the mobilization of the entire wheat and rye crops of the country in order to further maintain the nation's bread supply. All this shows that economies must be more or less practiced in order to avoid a moderate scarcity.

In this country the movement is showing a decided let-up at interior points in the Southwest, receipts at Fort Worth, Enid, Wichita Hutchinson, and Salina being 211 cars compared with 262 cars a year ago. This is the first day since the movement started when receipts were actually less than the preceding season. Primary receipts are still very heavy --4,221,000 bu against 3,523,000 bu last week, and 2,097,000 bu last year. However, this was chiefly caused by the fact that receipts in Chicago were very big; other points are commencing to show some drop-off. It was also reported that the milling demand has greatly improved.

Altogether we think the fundamental situation is very sound. is not likely that we shall have the sharp fluctuations which had prevailed during the crop-growing period when the trade at times wa very much scared that results might be even worse than they turned o to be. For a while we shall still be confronted with increasing stocks, which will have to be absorbed, but the time will come when decreases in the visible will take place, when stocks will be reduce and when hedges will have to be removed. By that time, if there is no change in the international wheat situation, we may look for better values.

Kansas City stocks for one day again gained 1,055,000 bu, and w have to be prepared for further increases in the visible supply for some time to come.

The open interest is gaining right along --being now 110,105,00 bu, showing great confidence in present prices. At the close there was an advance of 2 1/4¢ per bu for the September future.

December corn, the new-crop future, as well as oats and rye, al profited from the strength in wheat, and showed moderate advances. However,crop prospects still remain very good up to the present.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 28, 1937.

Liverpool responded only moderately to our upturn yesterday, final quotations abroad showing advances ranging from 1/2 to 1 1/8¢ per bu, most of the gain coming in the July future, which is more or less meaningless owing to evening up of trades.

Our market, however, opened very firm, and the tone was somewhat improved as compared with the last few sessions, presumably on new buying for the account of milling interests, which suggested the removal of hedges here against domestic flour business. Some people are still claiming that threshing returns in the Northwest are disappointing, and this has brought about a little more speculative interest, particularly as the Minneapolis market firmed up and gained somewhat upon Chicago futures. We are now definitely of the opinion that with only a moderate crop in the Northwest, and a crop failure in Canada that very low prices will not prevail. But at the same time there is yet a period when hedges are bound to come into this market, possibly offsetting in volume the amount of export business, and therefore new buyers must be found right along to absorb the load. This will probably come, in our opinion, as the pressure in the Southwest has already started to subside.

On the other hand, receipts are picking up in the central states, and the primary movement is still very large, at 3,394,000 bu, or practically the same as last week, and compares with 1,975,000 bu a year ago.

As far as Canada is concerned, she is beginning to feel now the competition from this country, and only a small scattered Manitoba business was reported worked overnight. So even with the very small crop she may find difficulty when the movement is on to maintain the present parity over Chicago. In Alberta they are claiming that July rains are bringing about improvement; although in Saskatchewan the recent moisture was less beneficial except that the feed situation has been bettered to a considerable extent. In looking at the old-crop situation in Canada, we find that exclusive of stocks held in farmers' hands, there was, as of July 16th, only 32 million bu of wheat on hand compared with nearly 119 million bu last year, indicating that the carryover stocks on August 1st will be greatly reduced.

The world visible supply, including the amount in Argentina and on-passage, also shows a reduction of 72 million bu as compared with last year, which in our opinion means that before very long Europe will have to look to this country for larger supplies. We understand that during the month of June exports fromGalveston were only 262,000 bu, and from the same port so far this month 876,000 bu were shipped, which is rather trivial as compared with European needs

Should the market decline severely at any time there is boun to be improved buying from abroad; and for that reason we are assumin a friendly attitude towards the market at the present level of prices. At the same time it may not be wise to become too enthusiastic yet until later in the season when receipts lightens.

So far this week stocks at Kansas City, Duluth and Minneapol show an increase of 1,887,000 bu, and we look for a pretty fair incre in the visible supply again on Monday, which will probably mean that from now until the close of navigation our total visible may easily go above the 100 million bushel mark.

Towards the last July wheat gyrated rather excitedly both down and up, although this had very little effect upon the latter months. September wheat at the close showed an advance of only 1/4¢ per bu.

Corn was influenced on the one hand by the weakness of the nearby future, also the forecast for rains over a good part of the belt. The new-crop future closed at 72¢ which was quite a decline for the day. There is no doubt but that prospects at this time are almost perfect, and if this condition prevails very likely prices wi work still lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 29, 1937.

Liverpool wheat cables were very disappointing this morning before our session opened. At the close they showed a decline of 2 7/8¢ for the nearby future, the July delivery, and 1/4 to 3/8¢ for the other futures. Considering that yesterday after their session had closed a very pessimistic report came out from the Searle Grain Co. on the Winnipeg situation, which undoubtedly was also known in Europe, a strengthening of foreign markets was anticipated.

This report estimated yields in the three provinces of only 160 million bu, which would leave only a moderate surplus for export. The Cargill Company in its crop report also made a further reduction in the winter wheat estimates and a reduction of almost 50 million bu in the spring wheat crop outlook compared with July 1st. Should both these figures be confirmed by the respective governments in August, it would in our opinion create a very bullish sentiment. This for the reason that with such a reduction in expected yields in all of North America, including the reduced carryovers for this year, would hardly give us any more wheat in North America than in 1936. On the other hand the demands from abroad might be quite substantial, considering Europe's stocks are also very largely reduced; Argentina and Australia will not be able to ship much until January when their new harvest comes on the market.

This week Black sea shipments are only 344,000 bu compared with 736,000 bu last year. Argentine clearances were 735,000 bu versus 1,446,000 bu in 1936. India, it is true, shipped 840,000 bu versus 104,000 bu a year ago, but it is not expected that the total sales from that country will be very large. There are no Russian wheat offerings reported yet and no signs of any efforts to make commitments.

In the meantime weather continues to remain dry in both Australia and the Argentine and precipitation is needed for the best development of the wheat crop. Of course, there is plenty of time yet before rains are absolutely needed, but from past experience we know that it is not yet safe to figure that the Southern Hemisphere will produce as much wheat as last year, although they may do so, and even raise more with very favorable conditions, as the acreages have been increased.

Meanwhile, of course, there is continued pressure as the wheat movement is very large. The combination of high prices which are satisfactory to the farmer, together with excellent weather, probably will result in a larger percentage of the wheat crop being shipped earlier than in other years. This, of course, will be at the expense of lighter receipts later on, but in the meantime the burden is here, and even assuming that there should be a moderate scarcity later on, it will be some time until it will be felt. Even last season there were many periods when prices ruled considerably higher than those prevailing now! We observe some falling off already at interior points in the Southwest, and receipts at Wichita, Hutchinson, Salina, Fort Worth and Enid are only 296 cars today compared with 312 last year. However, the movement in later territories, such as Illinois and Indiana, tributary to Chicago will not reach its crest until probably a couple of weeks from now.

Primary receipts were 3,410,000 bu; bigger than last week when they were 3,160,000 bu, and compare with 1,931,000 bu last year. Stocks at Kansas City so far this week increased 2,608,000 bu, pointing to another large increase in the visible supply next Monday. It will take only about 8 1/2 million bu increase to reach the top figure attained in 1936 on August 29th, when the total amounted to 78,445,000 bu. It is therefore quite evident that regardless of what will happen the next eleven months it may take a great deal of patience until the milling demand and heavier export sales reduce the present large visible supply.

The great weakness in September corn was at times a great handicap to wheat, and although prices held firm during most of the session, finally liquidation took place, and at the close showed a decline of 1 3/8¢ per bu compared with yesterday.

Coarse grains, as well as rye, show a declining tendency. The crop outlook for corn continues to be extremely favorable, and at the present time the old corn, which has been delivered on July contracts and which comes into competition with the Argentine corn, finds no ready buyers. This has a very depressing effect on September corn, which closed materially lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO July 30, 1937.

The great weakness in corn at various times during the session and the low prices on feed cereals in general undoubtedly had a deterring effect upon many traders, preventing their making investments in wheat. Last year the opposite situation existed and a tremendous shortage of cereals for feed and the high prices obtainable for same were a continued stimulant. We conclude, therefore that if wheat prices will do better, it will be strictly on the merits of this article itself, and the strength today shows that it might do that.

Liverpool wheat cables were very steady and with the exception of July wheat, which expires tomorrow, futures were higher, closing at a net advance of 5/8 to 1¢ per bu.

News about our spring wheat yields in territories where harvested are very discouraging and the outlook for the balance continues to be bad; but this has been more or less expected for sometime. However, the trade is still at sea as to just how poor the spring wheat crop finally will be and is awaiting anxiously the private experts' reports to be given to the public on August 3rd, and then later on the government report will also be scrutinized very closely and more definite opinions may be formed. This particularly so as the world supply and demand will be so closely adjusted that an odd 25 or 50 million bu more or less might finally make quite a difference in the price level.

There were some cables received here from the Argentine indicating unimportant precipitation and the outcome of the wheat crop in the Southern Hemisphere will in our opinion be almost more important than any previous year than we can remember. A crop failure either in Australia or Argentina would have an undue important effect in raising prices. For the present we can only figure on the normal and for yields more or less like last season, when they were very satisfactory.

Foreign importers taking this view will probably continue to buy only sparingly during the next five months. This week's clearances will again be very light. India and the Danubian provinces will ship about 1 million bu; Argentina, 893,000 bu; Australia 1,348,000, or a total of a little more than 3 million bu. The balance will have to come from North America to supply European and ex-European needs. Inasmuch as normal consumption is supposed to be about 10 million bu, it is quite evident that stocks will be again further reduced and the amount on passage will dwindle to unusually small proportions.

There was some export business done overnight but it was mostly in Manitoba wheats. It now turns out that the final carryover in Canada will be larger than had been expected. The amount left under date of July 24 was about 45 million bu; so, assuming that during this week another 4 million bu will be shipped, there would still be 41 million bu left of the old crop. While this is not a very large quantity, yet it will enable Canada to continue shipping fair quantities of wheat to Europe until their new crop becomes available.

Receipts in the Southwest at interior points show a decided falling off. At wichita, Hutchinson, Salina, Fort Worth and Enid there were only 279 cars compared with 438 cars last year when the crop was very much smaller. However, other points in the middle states are still receiving very liberal quantities, and primary receipts today were 3,762,000 bu versus 4,106,000 bu last week and only 1,988,000 bu last year. Stocks at Kansas City increased so far this week 3,408,000 bu, and while this is very much smaller than last week it is still a large addition and with this in view we look for another very big increase in the visible supply next Monday. Last year it was 7,578,000 bu and will be considerably greater next week; in fact, we believe the visible supply on Monday will be larger than it had been at any time in 1936.

(OVER)

Fortunately confidence in the price level is sufficient so th
new buyers seem to be willing to absorb hedges for the time being,
and yesterday's open interest increased again almost 2 million bu,
is now 111,577,000 bu. The great confidence in ultimately higher
prices is based on the positive knowledge that the Canadian crop wi
be one of the shortest per acre in sixty years, that the total amou
of export wheat available will be very small, that there is no othe
country outside of the United States which can take her place in su
plying the needs of importers. With this knowledge it is not likel
that holders in this country will ever become panicky and probably
will be able to exact through their dominant position a very satisfactory price before very long.

Fluctuations were comparatively small today, and at the close
the market showed an advance of 1 1/8¢ per bu for the main future c
pared with yesterday.

The corn market was extremely weak most of the session both o
the old and new-crop futures. There were reactions from the low po
but yet the close showed a considerable decline from yesterday. Th
trade is very much impressed with the wonderful crop prospects, but
the question arises in our mind whether the present price has not d
counted a great deal; and of course there are still possibilities t
the month of August might not be quite as favorable as July was. Fu
ermore very often in December the weather is inclement, which often
prevents large arrivals of contract corn during that month.

Oats have reached a point now where the farmer shows some resistance in selling. Rye is largely influenced by wheat fluctuatio

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
IEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 31, 1937.

July wheat at Liverpool expired today, and showed a decline of 3 3/4¢ per bu since yesterday's close. This great weakness prevented much export demand, although a few Manitobas were reported sold overnight. Other Liverpool futures were little affected, although they closed about 3/8¢ per bu lower.

The action of the market all during the week suggested that crop reports from the Northwest and from Canada had temporarily lost their effect market-wise. It is a certainty now that regardless of weather during the next few weeks Canada will have one of the worst yields in the past 20 years, and that, therefore, the amount of wheat available for export will be extremely small. Nevertheless, there will be a certain amount of pressure when the movement starts. At this season of the year it seems difficult to bring about much of a bull movement even though conditions might finally warrant a higher price level.

Our own spring wheat has undergone deterioration since the government's figures were compiled on July 1st, although there may be some offsets on the Pacific coast, as the Government estimate for Oregon, Washington and north Idaho indicated a production of 75 million bu, but close observers now feel that the production will run to 85 million bu, giving that section of the country a bumper crop. This was brought about by unusually favorable conditions which existed since the middle of June; there are even sections which previously had been considered lost, and which should have a wonderful comeback.

In trying to determine the proper price level, we are looking at the total world carryover in the years 1922 to 1927 in order to make certain comparisons. During these years they averaged 605 million bu, using July 1st as a basis for the United States, and August 1st for all other countries. Since that period the figure has never reached that low level again, although it will be smaller this year. During other years the world carryover varied as follows:

1928 - 693 million bu
1929 - 954 " "
1930 - 909 " "
1931 - 997 " "
1932 - 991 " "
1933 - 1,083 " "
1934 - 1,149 " "
1935 - 905 " "
1936 - 724 " "
1937 - estimated 484 million bu

On basis of the above it would mean a reduction this year of 240 million bu from the 1936 figure. It is also true that individual carryovers will be smaller in North America, Australia and Argentina, and in Europe than in any of the years mentioned. Europe will probably have 85 million bu less, or only 161 million bu.

With this in mind we are convinced that any very low level of price is not likely, and yet due to the satisfactory price which the farmer received for his grain, an unusually large amount of wheat has been moved, which temporarily is a burden upon the market. This situation will not be relieved until either the export demand for our hard winter wheat improves, or wheat goes into consumption at a faster rate, which would mean removal of hedges. It is apparent, therefore, that the time element must be given some consideration; and possibly this explains the type of markets which we are having at the moment.

Primary receipts today were 3,876,000 bu compared with 4,005,000 bu last week and 1,837,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a net increase of 4,260,000 bu. so on Monday we shall have another big increase in the visible supply stocks.

In sympathy with the weakness in outside markets, and a lower price for December corn there was finally a decline in wheat amounting to 1 5/8¢ per bu compared with Friday's close.

Corn fluctuated over a rather wide range, the September delivery was in better demand, many believing that the recent decline had been overdone, and that if anybody wanted any quantity of old corn there might be difficulty in obtaining it at these levels. However, the new-crop futures were weak, owing to the continued good weather over the belt and the belief that when new supplies are available the picture would be greatly changed from what it is today.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 2, 1937

With both Liverpool and Winnipeg markets closed today, little inormation was received from abroad regarding the wheat situation, and f course no export business was done. However, it was reported that he world wheat and flour exports for the week were 6,456,000 bu compared with 8,961,000 bu in 1936, and the total since July 1 is now 3,590,000 bu versus 36,311,000 bu last year, or somewhat less. This s rather surprising in view of the indisputable fact that European tocks are very much smaller than last year and that heavier requireents are expected. Undoubtedly the amount on passage has been still urther reduced, and probably when published tomorrow it will likely be he minimum which will be reached, perhaps not representing more than wo weeks' normal requirements. If we assume that Europe was holding back for only one reason: namely, that they considered the price too high, and not because they are not in need of heavier importations, it is fair to figure that with the decline which has taken place now export business will become more active.

The United States is the only country which can furnish large quantities until the harvest of the Southern Hemisphere crop occurs, at which time it will place Argentina and Australia into line for heavier exports. We are gradually looking for a much increased export business, and this stimulant is positively needed if an advance in prices is to be brought about because while the movement is somewhat lighter by comparison, it is still very heavy. Primary receipts today were 4,639,000 bu compared with 2,941,000 bu in 1936, but considerably smaller than a week ago when they were 6,363,000 bu. From now on we expect a steady decline in the Southwest movement; interior points such as Hutchinson, Wichita, Salina, Enid and Fort Worth received only 467 cars today against 504 cars the previous season. However, the spring wheat movement has just atarted, and while the crop is much below normal there are bound to be accumulations of stocks at chief centers for a time. So far the primary receipts up to last Saturday were 118,994,000 bu vs. 89,617,000 bu last year. This again compares with primary receipts for the twelve months ended June 30 in other seasons as follows:

1932 - 380 million bu
1933 - 282 "
1934 - 199 "
1935 - 160 "
1936 - 226 "
1937 - 214 "

As a consequence the visible supply stocks, which the trade must deal with until the demand catches up, continue to increase, and are now 88,087,000 bu, a gain for the week of almost 18 million bu and the visible supply is now about 10 million bu larger than it had been at anytime in 1936.

Importations of wheat naturally have almost stopped entirely, and up to July 24 have only amounted to 473,000 bu, probably all from Canada, against 3,731,000 bu a year ago for the same period.

While the open interest is increasing steadily, the total amounts to only 113,769,000 bu, which is comparatively small as it exceeds the visible supply by only a moderate quantity, and shows that the short interest must be very small, and that the longs have purchased mostly the hedged wheat. This makes the market very sensitive, at least until there is a complete change: namely, a decrease in receipts and an increase in the demand for both domestic and export requirements.

Statistically the situation is reasonably sound. According to all known figures, normal supply and demand ought to take care of world raisings this season, so that finally there will be no larger carryover than there was on July 1 this year. However, there are eleven months to go yet, and in the meantime the farmer is much more anxious to sell than millers are to stock up, and the immediate pressure is

(OVER)

sufficient to bring about great depressions at times on part of longs thereby easily causing declines. We, therefore, have to report anoth loss for the day, final quotations being 1 1/2¢ per bu less than Satu day.

Tomorrow the private experts will give their estimates on crop prospects, both winter and spring wheat, for this season and the trad assumes that the figures will be somewhat less than the last government report. Should there be a great variation it will affect the mar ket either upward or downward, according to how the estimates are give

September corn was extremely strong as there are hardly any receipts coming to this market. The corn which had been delivered on July contracts is bringing big premiums, about 10¢ over September, and the Argentine corn is also in good demand, much above the September price. With the open interest still about 18 million bu, it is no easy to see how the shorts can be well supplied. December corn, however, is an entirely different proposition and with the very find crop prospects and comparatively few animals to feed, it may look high if the crop comes through all right.

Oats and rye continue the downward course, crops are very good and no doubt supplies will be plentiful during the whole year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 3, 1937.

The private crop estimates were given to the trade today and the average is considerably lower than the last government figures. The total spring and winter wheat crops are estimated to yield 841 million bu, or 42 million bu less than the July government report, which indicated 883 million bu. Canadian yields also indicate a very small crop, only 161 million bu for the three provinces, or approximately 180 million bu for all of Canada. This would give all of North America 1,021,000,000 bu of this year's raisings compared with 854 million bu in 1936, 167 million bu larger. The carryovers combined in both Canada and the United States are approximately 140 million bu less than in the proceding season, resulting in available supplies this year of 27 million bu more than in 1936. Last season total world disappearance, excluding Russia and China, was 3,775,000,000 bu. For this season the production in the same countries is estimated at 3,676,000,000 bu; therefore assuming consumption would be the same as it was in 1936, and unless either Russia, or the Southern Hemisphere where crops are not yet made, would ship more than they did last season, there would be less wheat left next July than there was this season.

Nevertheless Europe remains entirely indifferent and export business overnight from both Canada and the United States was only on a very small scale.

Liverpool futures declined 2 to 3 1/4¢ per bu, following our market fully since Saturday, having been closed on Monday. Liverpool December wheat is selling approximately 20¢ per bu higher than ours and the premium abroad is big enough so that hope for an early, active business is quite justified. There is not a great deal of change in European crop prospects. The French wheat crop is now expected to be about 12 million bu larger than last year; the outlook in Poland seems to have improved, but nevertheless yields may be about 10 per cent less than in 1936.

Our visible supply is now 88 million bu, which will again increase this week as lots of cars are on track not yet unloaded, and the immediate burden makes it difficult to boost and hold prices. It would be too much to expect even should there be a moderate scarcity existing later on that the world shortage should be felt at the present time when crops everywhere are moving freely. Even the fact that events in the Orient are shaping themselves for minor or major disturbances is being ignored for the moment. Hopes of foreign millers are still based on the possibility that the Southern Hemisphere might help them out of their dilemma, and after January furnish the immediate supplies for importing countries. This despite the fact that moisture in Australia is still negative and complaints of wheat deterioration are increasing. There isalso some concern about the continued dryness in the Argentine but one good soaking rain within a week or two would alter the situation and increase hopes of abundant supplies from the Southern Hemisphere after the turn of the year. Should these crops, however, be below normal, it would create an immediate demand for our wheat and nobody can possibly make any predictions as to what will happen there so far ahead.

Receipts in the Southwest show a considerable decrease compared with last week-- and in fact, at points such as Hutchinson, Wichita, Salina, Fort Worth and Enid receipts were smaller than last year, only 244 cars versus 325 cars in 1936. From this we conclude also that the movement to Kansas City will diminish very shortly. Primary receipts today were 2,995,000 bu against 4,221,000 bu last week.

In the absence of any particular demand either from Europe or from our big milling interests, the close showed another decline, the recession for the day being 2¢ per bu compared with yesterday.

Corn, oats and rye all declined further, partly in sympathy with wheat, but chiefly on account of the excellent prospects and very abundant supplies.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 4, 1937.

The Liverpool market was very weak today, futures declining 4 to 4 1/2¢ per bu. At one time they had been even lower than that but before the close there was a slight recovery. More important than the decline was the cause of this big liquidation abroad. Broomhall gives one of the reasons, outside of the fact that Winnipeg had declined so much yesterday, as being the pressure of CIF wheat offers from the Danube together with the fact that Russian samples are being exhibited on the London Exchange, preparatory to offering some wheat for shipment. Some Russian wheat has already been purchased by Greece. Of course, this might all be meaningless because the world is prepared for moderate or small exports from Russia; but on the other hand that country in all its activities is always such an unknown quantity that there exists at least the possibility that with the good crop being harvested now in Russia clearances might be very large.

As a matter of fact this year supply and demand are so closely adjusted that any variation from the normal of what is expected so easily turns the tide that it is more difficult than ever to make safe predictions until all the factors affecting the price level are better known. It will certainly take a long time until this can be done because the result of the crops in the Southern Hemisphere cannot be determined for a long time. In the meantime, drought continues more or less both in Australia and in Argentina, but it would not be safe to figure that rains might not come in time to relieve the crops. On the other hand continued dryness might alarm buyers of importing nations who will be sadly in need of their wheat after the turn of the year.

Our market naturally was influenced early by the foreign news, bringing about a decline of about 2¢. At this level new buyers took courage, figuring the decline from the high point had been very severe. There has been no change in the small crop yields in Canada and the United States must still furnish larger quantities for export during the coming five months. There was not much business reported overnight, neither could it be expected after such a sharp break, as ordinarily orders come in when recovery starts and probably Europe will be influenced by our comparative strength here.

The milling demand is somewhat better and receipts are dropping off. No doubt we have seen the crest of the movement. Primary receipts today were 2,248,000 bu compared with 3,394,000 bu last week. Stocks at Kansas City increased for two days 1,331,000 bu. We believe that the visible supply will continue to increase for some time but when confidence is restored so that the trade in general will have more faith, hedges may be taken care of until such time as the wheat goes into consumption. We still feel all the wheat raised this year will be wanted at a satisfactory price.

The trade also is much encouraged that the downward trend of corn and oats, which sympathetically affected wheat, may have come to an end. Both these cereals were comparatively firm today, as well as rye. September corn stands out alone. There was only one car of corn received here today, and it seems farmers' holdings must be so small that the movement to this city on a very large scale is most unlikely. The open interest is still very large --almost 20 million bu, with small stocks in elevators everywhere, and all kinds of corn bringing big premiums over the September future.

Considering the great weakness abroad the whole market made a wonderful showing, and at the close September wheat closed 3/8¢ per bushel higher than yesterday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 5, 1937.

Liverpool wheat cables were very disappointing before our session pened this morning. While they followed freely our declines of late, hey were very reluctant today to follow yesterday's great strength; nd at the close futures advanced only 7/8 to 1 1/4¢ per bu compared ith yesterday. This brings our September and their October wheat uch closer, the difference at the present time being only 15¢ per bu, hile sometime ago it was as high as 20¢ per bu.

It is surprising with how little wheat importing nations seem to e getting along so far this season. Russia shipped 184,000 bu, ndia 680,000 bu, Black sea 472,000 bu, and Argentine estimated clearnces are 735,000 bu, or only a little more than two million bu from hese countries. The balance of needed requirements will have to ome from Australia, which probably will also be very moderate, and rom North America. With fully 10 million bu needed weekly one would magine that orders in the United States would be large, but such is ot the case. Last year all the importing nations for the twelve onths from August 1st, 1936 to July 31st, 1937, took 593 million bu, r considerably over 11 million bu weekly. It is true that the quanities were considerably larger than the year before, as Europe had aken 118 million bu more, while ex-Europe took 18 million bu less. hese figures might be a little misleading as they include Canadian xports to the United States. Even if these are taken out more han 10 million bu weekly had been absorbed by the regular importing ations. They are now confronted with the fact that Argentina has million bu less, Australia 12 million bu less and Canada 86 million u less than in 1936; therefore, immediate supplies from these uarters ought to be cut very materially. It is true the United States as a very large surplus, but clearances up to date have been infiniesimally small and very few new transactions seem to develop. This s the great problem, and difficult to explain how the importing world anages under these circumstances. They are receiving some encourageent from the fact that now estimates are made regarding the Danubian heat surplus, which is expected to be about 72 million bu, much the ame as last year. The Pacific coast wheat has also turned out very ell and no doubt a substantial overseas business will take place efore long from there.

The fact that our market under these circumstances, despite the ack of foreign demand, opened and closed higher than yesterday must e attributed to the great faith that finally statistics will work ut all right, and that while the foreign demand for our wheat at the resent time is not in sight it is bound to come later. The trade as also much encouraged by the greater strength in all other cereals nd the further fact that shorts and hedgers are very much scared bout the continued strength in the September future. It is a most xtraordinary situation that this nearby future should sell about ven price with December with the visible supply much larger than ast year with wheat supplies very plentiful at all centers. It is rimarily due to the tremendous quantity of poor wheat which has acumulated here and which cannot be delivered on contract. Choice heat is bringing very big premiums and elevator concerns could at the resent time sell their good wheat to better advantage than by deivering it on contracts.

The movement in the Southwest continues to decrease right along; ichita, Hutchinson, Salina, Enid, and Fort Worth received only 258 ars compared with 297 last season. Primary receipts also are much ighter than last week, being 2,300,000 bu versus 3,160,000 bu a week go. Stocks at Kansas City so far this week increased 1,976,000 bu, ointing to another increase in the visible supply, but it will be ery much more moderate than the previous week, and while increases ay continue for sometime, the rate will be very much smaller than eretofore.

As the market advanced there was very heavy short covering, and s usual gained in momentum as prices rose. The final gain for the ay was 2 1/4¢ per bu for the September, the leading future.

(O V E R)

We cannot become too enthusiastic on the advance from the low point of yesterday of about 5¢ per bu until Europe follows us, and until our export business enlarges. We have about 200 million bu nominal surplus in this country, and a large share of it must be disposed of in order to make the market sound before the Southern Hemisphere crops come in competition with ours. This, of course, is all on the assumption that the Argentine and Australian crops will be at least normal. There were some good rains in Australia, which are rather helpful, but the weather continues to be dry in Argentina. This is not serious as yet because sufficient precipitation during the next three weeks would be time enough to prevent much damage, but should it remain dry during that period the whole picture would change

Corn, oats and rye all were very much higher, the feeling being that the decline had been too much, and considering the small stocks left over the discount for the new futures is too big. September corn was again outstanding, and with only four cars being received here it looks as if the shorts would have a hard time to fill their contracts.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 6, 1937.

Liverpool wheat cables were very disappointing before our session pened. The weakness there continued and at the close futures had delined 1 3/8 to 1 5/8¢ per bu.

There were several reasons given for this pessimistic feeling broad, despite our great strength here yesterday after they had closed. heat shipments from Australia keep up surprisingly large, and it is ow suggested that their crop was larger than originally estimated at 50 million bu. Also harvesting weather in Europe is very satisfactory nd the demand for cash wheat by millers in the United Kingdom is very low. Furthermore, there were prospects of rain in the Argentine, which e really think was the most important factor; but the fact that Russia ontinues to offer wheat in larger quantities also was depressing. ustralian shipments for the week were 1,800,000 bu compared with only 55,000 bu last season.

In this connection we received a very interesting letter from a rain broker in Sydney, Australia, under date of July 7. He claims that he present government estimate of the acreage for next season is 3,700,000, which he considers as very conservative and believes it ight be 500,000 acres more. Last season the acreage was 12,300,000 cres, with a yield of 150 million bu, or 12 1/4 bu per acre. At the ime he reported he considered conditions as exceptionally promising nd better than last year. He also said that during the growing period hen there was a lack of rainfall, and he considers it possible under resent conditions that with normal precipitation the crop might be ver 190 million bu.

During the session it was found out that expected rains in Argentin lid not materialize. There were a few inconsequential showers, the uenos Aires market was somewhat higher, and, therefore, Liverpool ight be disappointed as they are figuring on getting a large amount of heir supplies after the turn of the year from the Southern Hemisphere. he Argentine crop will suffer unless they get good rains during the ext two or three weeks.

With the very weak cable and with almost a total absence of export usiness, as far as we could learn, yesterday's advances could not old and our wheat market showed no strength at any time.

Primary movement continues to be large, although much smaller than ast week but greater than last year. There is a decided dropping off ut nevertheless it looks like it might keep up moderately for someime; soon the spring wheat accumulations might also be quite considerable. Today's primaries were 2,722,000 bu versus 3,762,000 bu ast week and 1,262,000 bu last year. Although there were many reasons hy the movement should have been heavy this year: namely, the temptaion for farmers to sell on account of the price and the very favorable eather, yet we are inclined to think that possibly the crop might ave been under-estimated and there will be plenty of wheat to come orward for a long time. Stocks at Kansas City so far this week inreased 2,547,000 bu and we think we may look forward to another large ncrease in the visible supply; but, of course, nothing like what appened the last two weeks. The increase would compare with a gain f 5,419,000 bu in 1936 similar period.

At the close the leading future, September, declined for the day ¢ per bu compared with yesterday.

As far as corn is concerned, there were some complaints about dryess. There is no question but good soaking rains in all of the corn elt would be very desirable. However, there is a fair amount of suboil moisture and we really do not think the plant is suffering much as et. Also cool showers have occurred during the past twenty-four ours over Kansas, portions of Iowa and Missouri; the amounts, however, ere very light to moderate. There is no reason as yet to change one's pinion that we shall probably have one of the largest corn crops since 931, and with fewer animals on feed we are inclined to look for still ower prices. This refers only to December and May corn. In making ales we prefer to sell the more distant futures because at that time ccumulations will be the greatest and corn might not be overabundant n December on account of the many holes to be filled up. Old corn is nd will remain extremely scarce. Only two cars were received here and t times it is difficult to execute moderate orders without forcing rices upward. The open interest in September corn decreased yesterday 13,000 bu, but is still 19,836,000 bu, and there is very little American orn in elevators which could be used for delivery. In the meantime ll cash is bringing good premiums.

Oats suffered from the weakness in the surrounding pits, and closed ower. Rye was comparatively firm.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 7, 1937.

Liverpool prices at one time were very weak, being influenced by the decline which took place yesterday in North America; also cheaper offerings from Canada and the forecast for rain in the Argentine.

This was hardly a factor in our market and following the rather drastic liquidation yesterday, a little better buying power was prompted, particularly when corn futures became strong. September corn, which has been a market leader during the past week, is now about 10¢ per bu higher than it was a week ago tonight and it seems that despite the advance and the good premiums which are paid for the cash article, receipts remain extremely light. However, outside of bringing in some of the shorts it failed to stimulate much new enthusiasm, particularly as the export business from this country remains extremely disappointing.

It is true that there was a little Manitoba business to the United Kingdom overnight, but no interest was shown either in the gulf or in Montreal, and bids were almost impossible to get. With this situation, and the knowledge that we have raised a crop considerably in excess of our home requirements, a good many people are beginning to wonder what will happen if Europe does not pursue a different policy. At the moment all eyes are focused upon the Southern Hemisphere, and while the weather in the Argentine is clear at the moment rains are likely, and this would undoubtedly have a bearish influence upon the thoughts of European buyers.

Receipts in interior points of the Southwest are becoming lighter. Today, for instance, carlots at Hutchinson, Salina, Wichita, and Fort Worth total only 161 cars compared with 127 cars last year. However, the movement in our Northwest should enlarge, despite the fact that the crop up there is only a moderate one.

The open interest in wheat showed a further increase, and is now 131 million bu, or about the largest on the crop. In view of the fact that September wheat has declined from a high of $1.29 3/4, we would say that lots of the speculative profits on the bull side have been given up; and for that reason, a good many traders are much more cautious than heretofore.

Today's market was an example of this very thing, and the moment shorts became satisfied prices eased from the best levels of the day. However, there was a noticeable widening in carrying charges, and with elevators all over the country filling up, and even those in Chicago finding it difficult in some instances to make room for new arrivals, we are of the opinion that there will be ample deliveries later on to cause September wheat to go to a greater discount under December than at present. Likewise we feel that with the poor European demand that stocks will continue to accumulate for sometime and that finally a wider difference between December and May wheat shall also prevail.

With the open interest in September wheat nearly 64 million bu there will probably be considerable liquidation in due course of time, particularly if holders of contracts try to change their position over to the deferred months.

Primary receipts today were 2,645,000 bu compared with 1,167,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total increase of 3,666,000 bu.

At the last our September wheat, which had been the weakest all day, showed a gain of 1/4¢ per bu, with the more deferred months showing slightly greater advances since yesterday.

Corn, as stated above, was influenced by the small receipts, and the fact that No. 2 yellow corn sold in this market at 13 1/2¢ over September. This is a most unusual situation. The new-crop months were also somewhat stronger. While prospects are good over the greater part of the belt some complaints were heard from Kansas and Nebraska where rains are needed and temperatures are high. The weekly forecast suggests some relief during the coming week. Even should there be some losses from the most optimistic figures, we still feel with the small number of hogs to feed that May corn is selling at a pretty high price.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 9, 1937.

The Bureau of Agricultural Economics at Washington estimated the arryover of old wheat on July 1st as being 91,113,000 bu. This was reduction of approximately 51 million bu from the year before. Con-idering that the 1936 wheat crop was 626 million bu, that we imported bout 30 million bu and reduced our stocks 51 million bu, it shows a isappearance of 707 million bu in twelve months. Statisticians enerally figure that our annual consumption is only 650 million bu, nd it is possible that they are right and that last season's excess emand was exceptional, owing to thevery short feed crops, which ecessitated a larger use of wheat for animal feed. Nevertheless we hink it is safe to figure, with our increasing population, and also aking into account that the test weight of a large quantity of wheat aised this year requires more bushels to make a barrel of flour, hat we shall probably be able to consume 675 million bu this coming eason. Presuming that the government report tomorrow will estimate he crop much the same as the private experts, 862 million bu, we ould have to export 187 million bu in order to reduce our stocks to ast year's level; and unless we do so we cannot look for any very igh prices on wheat. Next May if it can be shown that there is a air amount of surplus wheat the fact that new crops will soon come n the market will already be discounted.

Under these circumstances the very small exports from North merica this week are extremely disappointing. They amount to ,421,000 bu compared with 5,794,000 bu last year. Total clearances rom North America since July 1st are 15,800,000 bu versus 27,372,000 u in 1936. We have not yet been able to separate what amount came rom the United States and what amount came from Canada, but from ther general information we have on hand, we assume that the United tates so far shipped very little. Unless this changes materially t will create a rather bearish situation.

We fully appreciate that poor crops in the Southern Hemisphere ould alter the picture and therefore we are watching, together with thers, the weather reports from both Australia and Argentina. There ere some rains today in the central and west portions of Argentina ut none in the important northern provinces. We have come to the onclusion from the meager reports which are available that rainfall uring the last 48 hours there was again insufficient and more pre-ipitation is needed for the best development of the wheat plant.

In the meantime it is surprising with how small a quantity of heat Europe seems to be getting along. Total world shipments were nly 6,935,000 bu against 8,773,000 bu last year; but a good con-umption must be going on right along as the amount on passage had een reduced by over 4 million bu, and is now only 21,312,000 bu. e hardly think that this quantity will be reduced much further. uropean crop prospects are very fair and it seems importers must ave some knowledge which is not available to us as to where they xpect to obtain their additional supplies; otherwise they could not e quite as indifferent to new buying as they are. Liverpool futures howed a further decline of 5/8 to 1 1/8¢ per bu compared with Satur-ay, and at the present time the difference between our futures and heirs is too small to encourage many new engagements.

Here the primary movement is continuing on a large scale al-hough smaller from week to week and considerably less than last year. evertheless, receipts considering the demand are too big and are a urden. Total primaries today were 3,522,000 bu versus 4,639,000 bu ast week and 1,778,000 bu last year. Total primary receipts for the eason up to last Saturday, August 7, were 130,967,000 bu compared ith 95,231,000 bu last year and 48,090,000 bu in 1934-35. When it s considered that the total primary receipts for twelve months last ear were only 214 million bu, it can easily be seen how necessary it ill be that we shall soon require a bigger outlet to take care of such tremendous movement. As we expected the visible supply increased

(OVER)

again, 13,897,000 bu compared with 5,419,000 bu last year, and the total quantity is almost 102 million bu. There are no signs yet th these increases will stop. There are three markets which generally increase very fast after this period: namely, Minneapolis and Duluth and later on Buffalo, where stocks will be accumulated before the close of navigation. Many winter wheat markets are also likely to continue to gain for sometime. Chicago stocks are now 11,524,000 bu and it is generally believed that sometime during September there might be very fair-sized deliveries on September contracts.

The recent fear that September shorts or hedgers might find difficulty has disappeared and the differences are widening. We believe that particularly December and May wheat will go to a very much wider difference when the proper time comes. It costs 7 1/2¢ a bushel to carry wheat from December to May for storage alone, not to mention interest and insurance, and after the close of navigation it is not likely that there will be much of an outlet for any wheat which will be delivered. We base this on the fact that the soft winter wheat was very abundant East of here and there should be plenty of homegrown wheat to supply the millers.

The open interest is still slowly increasing, the total amount being 131,402,000 bu, showing that not all confidence in higher price has been lost. Nevertheless, there was a decline for the day in the chief trading future, September, of 2 1/2¢ per bu compared with Saturday.

There were fairly good rains in some of the corn-belt states although with few exceptions the Southwest was neglected. However, even some relief is considered bearish, as it is assumed that with present prospects so exceptionally fine even moderate deterioration would give us a very large corn crop.

September corn, however, continues to advance almost daily, and no buying orders can easily be executed without boosting prices materially. Chicago received only 20 cars of American corn last week and only 7 cars were estimated for today, although cash corn is bringing about 12¢ permium.

Oats and rye weakened in sympathy with the other cereals, but the receipts are not particularly large, and farmers seem reluctant to sell at the present low level of prices.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 10, 1937.

This season has been one of continual surprises. What promised to result in a bumper crop of winter wheat was finally hurt through black rust, a disease which does not reduce winter wheat yields to a large extent more than once in ten or twenty years. A very hopeful spring wheat crop outlook was completely changed and yields reduced to very small proportions. One would have supposed that after four years of small crops in Canada the outcome this year would be more normal, according to the law of averages; but it finally ends up with one of the most disastrous yields per acre in probably sixty years, since which time records have been kept. Everybody was prepared for some time that final results in the three provinces would be very small. Neither English grain merchants, who are so dependent upon Canadian wheat and who watch prospects very closely, nor any of our crop reporters on Canadian statistics had given any idea that the spring wheat crop in the three provinces might be reduced to as low a point as 145 to 150 million bu. This was on basis of the official estimate of the Canadian government issued last night, which must be accepted as being as nearly accurate as is possible. There were no actual figures given but the condition report on the acreage yielded this conclusion.

This naturally caused a change in sentiment both here and abroad, and Liverpool futures advanced 2 5/8 to 3 1/8¢ per bu. Foreigners also were reported to have made very liberal purchases of Manitoba wheats overnight. As a matter of course the Canadian market, as well as ours, followed suit, and many wonder whether possibly our government report, which is to be given out this afternoon regarding the United States crops, might not also bring some surprises.

News from Europe in a general way is quite satisfactory and it seems that many of the importing nations are able now to make purchases nearer home and are not yet compelled to come to the United States for large quantities. Unless all statistics are wrong, this will have to change sooner or later, but just now it is reported that Italy has been able to obtain quite a fair-sized amount of wheat from Hungary; and Russia still may become an important factor as the season advances. However, more important than anything else will be the outcome of the Australian and Argentine crops, and nobody is smart enough now to guess or predict what that will be. The latest reports are that the rains in Australia were very insufficient and no precipitation was reported from the Argentine, which is causing great concern.

During the greater part of the session the markets most influenced by the Canadian report were Winnipeg and Minneapolis. Neither of these two are suffering like ours from the continued hedging sales, which undoubtedly prevented a still sharper upturn here today, which otherwise might have occurred.

Primary receipts are still very large --2,333,000 bu compared with only 859,000 bu last year, but they were smaller than a week ago when they amounted to 2,995,000 bu. The very strong situation in Canada is shown when we compare the present visible supply, including grains in transit, as well as bonded stocks in United States positions, amounting to only 30,022,000 bu versus 116,737,000 bu a year ago, or approximately 87 million bu less.

On top of this we now have to figure on a total Canadian crop of about 60 million bu less than in 1936. It becomes more and more evident that the importing world will have to depend on the United States for very large importations. While a reasonable amount would be available at the present level of prices if the demand should become very urgent it would require further advances to bring out the wheat.

At the close our market showed an advance of 3 1/4¢ per bu for the leading future.

In spite of the strength in both wheat and rye, corn took the opposite course. This was due to the fine rains in a large part of the corn belt, and increased the hope that the excellent prospects for a large corn crop are being maintained. September corn, however, for a while acted independently and had reached a new high level on this late movement, but finally it sympathised with the weakness in December corn and closed 2¢ per bu lower than yesterday. This, in spite of the fact that there were only three cars of corn received here today. The open interest in September corn still amounts to 20 million bu. The small amount of American corn which is left here in store and which is deliverable on contract is being sold everyday, and were this the first of September, there would only be the smallest quantities here with which to fill contracts. We believe it will require a very much heavier movement to change this situation, and same is not in sight.

Rye was favorably affected in sympathy with wheat, and as these are both human foods any sharp advance or decline in wheat prices is

In a bumper crop of [illegible] through. [illegible] a disease which [illegible] yield [illegible] to a [illegible]

[illegible] crop; in Canada the outcome [illegible] final results in the [illegible] very small. [illegible]

[illegible] of the [illegible] 0 million bu. This [illegible] government [illegible] estimate [illegible] as possible. [illegible] the condition reports on the [illegible]

[illegible] to be given out this afternoon regarding the [illegible] not also [illegible]

[illegible] Unless all expectations are upset, [illegible] will have [illegible] sooner or later, but just now it is [illegible] Australian and Argentine crops, [illegible] predict [illegible] will be. The latest reports [illegible] Australian [illegible] the Argentine, [illegible]

During the greater part of the season [illegible]

[illegible] bacteria like [illegible] obtedly prevented a still [illegible] have occurred.

[illegible] only 848,000 bu less [illegible] amounted to [illegible] million [illegible] less.

[illegible] 40 million bu less than in 1926. [illegible] importance [illegible] interpretations. While a [illegible] present level [illegible]

At the close our [illegible] a value [illegible] per bu.

[illegible] of the strength in both wheat and rye, corn took a [illegible] course. This was due to the [illegible] and increased the [illegible] were only three days of [illegible] in Southern [illegible] American corn, which is [illegible] there would only be the [illegible] We believe it [illegible] very [illegible]

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 11, 1937.

The estimated production of United States wheat, according to the government report issued yesterday afternoon, was almost as much of a surprise in its largeness as was the Canadian crop report issued the day before giving such disappointing results in that country. An indicated crop of 890 million bu of winter and spring wheat combined would compare with only 626 million bu the year before. Assuming that our carryover was 50 million bu less, we would still have in the United States 215 million bu more wheat than the season before. Consequently, all during this crop season we shall have a much bigger burden to carry, which can only be relieved by big export business. On basis of these figures and assuming our domestic consumption would amount to 675 million bu, we would have to export 215 million bu in order to reduce our stocks to the same proportions as of July 1 this year. This will be a very difficult, if not an impossible problem, unless there should be a partial or total failure in the crops in the Southern Hemisphere. We believe that up to the present time hardly 5 million bu of wheat and flour had been exported since July 1, so that during the next ten months or a little more, we would have to clear almost on an average 20 million bu a month. This will be all the more difficult as European crops are turning out better than expected. One of last year's good importers, Italy, now promises a wheat crop of approximately 70 million bu more than in 1936. Inasmuch as France also will be almost self-sustaining with her colonies, we believe that Broomhall's latest estimates on European requirements will have to be reduced considerably.

Looking further ahead we also find that Kansas had about the best rainfall in July that it has had for eight years, and with the farmers experiencing such wonderful results this year with their wheat production, prospects are favorable for another large acreage, all of which will have the tendency later on for our millers to pursue the same policy they did the past season and carry as small stocks over into next year as possible. Furthermore, some traders may think far enough ahead and figure that with Canada having had five poor crops in succession, a normal or above-normal one might be raised next year, all of which leads to the conclusion that high prices are only justified if supply and demand should be closely adjusted at the end of the season.

Liverpool was very much impressed with the overnight news, and an additional influence were rains which were reported in southern Australia. Cables were considerably weaker and futures there declined 1 7/8 to 2 1/8¢ per bu. There was no precipitation yet in Argentina, and of course that country, which normally exports 150 million bu of wheat or more, cannot be ignored. If dryness continues and crops there should deteriorate, of course, a larger quantity of wheat would be purchased here.

Russia in the meantime has started offering wheat to England. Some further sales have been made but nobody yet ventures a guess as to the total amount which will be available from that country for export.

There is a further falling-off in primary receipts, and the hedging pressure is on the decline but as yet has by no means disappeared. Primaries today were 2,188,000 bu, compared with 811,000 bu a year ago, but 2,248,000 bu last week. Stocks continue to increase, so far this week Kansas City, Duluth and Minneapolis have gained 1,146,000 bu.

The export business overnight was again extremely light, and until it picks up considerably, with the result of the crops now known in the Northern Hemisphere, we expect further declines unless something unforeseen happens.

After a decline of almost 3 1/2¢ per bu the Winnipeg market became very strong, which in turn influenced ours. We believe the strength of the Canadian futures was partially due to purchases from

(O V ER)

here, as their wheat is considered good value compared with ours, particularly as it pays no duty to England, which country will remain the largest importer, while we have to pay 6¢ per bu duty. After our market started advancing it was found that longs had liquidated pretty freely, and the technical position gave it further strength. It was also pointed out that owing to the fact that there is so much low-grade wheat this season it takes more bushels to make a barrel of flour. While this is true to some extent, we do not pa too much attention to it. The wheat from Texas and Oklahoma is of exceptionally fine quality, and there is also lots of good wheat on the Pacific coast. We would assume that the low-test wheat would not add at the outside more than 15 to 20 million bu of wheat to the consumption.

The Canadian market closed extremely strong, and as this is being watched very closely from abroad, we look for very high cables tomorrow, which, of course, would bring our wheat more in line for export.

The distant futures of corn acted independently, and were stro during most of the session, finally gaining and closing higher than yesterday. September corn acted rather draggy, but we still feel that it might be advisable for shorts to come in on any breaks, as t quantity available for delivery is so small. Today's estimated receipts were again only 8 cars. We do not see where any accumulati could come from.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
Y YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 12, 1937.

Incomparing wheat supplies in North America this season with the ast one, we arrive at the following conclusion:

In 1936 the Canadian crop was . . . . 228 million bu
" " carryover was. . . . . 128 " "
" United States crop was. . . . . 626 " "
" " " carryover was . . . . 142 " "

r a total available at the beginning of the crop year of 1,124 mil-ion bu.

In 1937 the Canadian crop is estimated at . . . . 164 million bu
" " carryover was . . . . 42 " "
" United States crop is estimated at. 890 " "
" " " carryover was.. . . . 91 " "

or a total of. . . . . 1,187 " "

which is 63 million bu in excess of last year.

When Broomhall estimated European and non-European requirements he probably compiled his figures before it was known that the Italian crop would turn out so well; and furthermore we figure that the commandeering of the German wheat and rye crops for human food will cause less demand for wheat from Germany. Therefore, we believe that Europe will take much smaller quantities this season, always provided that the crops in the Southern Hemisphere will turn out satisfactorily. Of Germany's rye crop about 75 million bu have been used normally for feeding livestock and in the same manner about 18 million bu of wheat had been absorbed. As there are heavy penalties now for using any of this grain for animal feed, it is more than likely that Germany will be able to get along without any importations of either rye or wheat this year. Of course, in its place they will have to buy large quantities of corn and barley, but with the large crops available this year in Russia and with Argentina not being called upon to sell any corn to this country, we feel that it will be no trouble for Germany to obtain all her feedstuffs, so probably the scheme will work out all right and her population can be fed with the home production of wheat and rye, despite the poor yields.

Liverpool continues to remain very indifferent and merchants there are acting as if they felt quite confident that they will be able to obtain the needed supplies somewhere at satisfactory prices. Despite our great advance of yesterday they are not rushing to make new commitments --in fact, the reported business overnight was extremely small, and their futures at the close were only 1/8 to 1/2¢ higher than the previous day. They may have also been influenced by possibilities of moisture in both Argentina and Australia. Weather predictions are more favorable for some rains there, but in the meantime it is still dry in both countries. Meanwhile, however, they seem to be getting along with very small amounts of wheat and estimated Argentine shipments are only 992,000 bu vs. 1,063,000 bu last year. India cleared only 336,000 bu, and the Black sea 704,000 bu, making a total of about 2 million bu in these three centers. As we assume Australian and North American clearances will also be moderate, it is quite evident that next Monday world importations will be again considerably smaller than supposed weekly requirements.

We obtained today the first actual figures on United States clearances from the port of Galveston for all of July, and they amounted to 1,535,424.10 bu. As practically the bulk of the export business was done from that port, we would assume that total United States' exports for the month of July probably will not exceed 2 1/2 million bu.

The Southwest movement shows a decided decrease and receipts at Wichita, Hutchinson, Salina, Enid and Fort Worth were only 136 cars compared with 104 last year. Primary receipts are still very large, although smaller than last week but more than double last year, today's being 1,990,000 bu vs. 2,300,000 last week and only 858,000

(O V E R)

last year. Stocks continue to increase and Kansas City, Duluth and Minneapolis so far show a gain of 1,884,000 bu, indicating another increase in the visible supply, although it will be very much more moderate than last week which had also shown a falling-off compared with the week before.

The market at times was largely influenced by the strength in Winnipeg at various periods, but with the small amounts of wheat available at the present time in that market and comparatigely few hedging sales, any fair-sized buying or selling order affects Winnipe to a larger extent than conditions justify. After many fluctuations and an early weakness, the final change for the day was a decline of 1 1/4¢ per bu for December, the leading future compared with yesterday.

"There was quite a good deal of excitement in September corn, which showed a very large decline on rumors that about 100,000 bu of corn had been sold from Texas points either for Chicago or interior points in the East. No figures were given as to the price, but the best offer we could obtain from Texas points for corn to be in this city in time for delivery on September contracts was about $1.06 to $1.08, which would be a considerable premium over the prevailing future. The open interest in September corn is still very large, decreasing only 127,000 bu yesterday, and amounting now to 19,483,000 bu. Chicago receipts continue to be light, only about 7 cars and a movement of new corn will be needed to relieve the very tight situation which will otherwise exist in that future. At the present time it seems longs are more scared than shorts, which brought about a decline, but the reverse may still take place if it is found that finally the supply will be insufficient for the demand, and old corn is bound to remain very scarce until the new crop moves. December and May corn were rather weak, Very beneficial rains having fallen again in the corn belt and the splendid crop prospects are being maintained. As the par per acre of corn will be raised in the next government report, we may then have a higher estimate as to final yields than in the August report.

Oats continued to be draggy, and rye follows wheat more or less, also closing lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 13, 1937

The August estimate of the Crpp Reporting Bureau for the winter wheat crop should not be taken as final in the light of past experience. For winter wheat we give below the August estimates and finals in December for the last nine years:

YEAR	AUGUST ESTIMATE	FINAL	DIFFERENCE
1936	519 million bu	519 million bu	Same
1935	432 "	465 "	33 million bu plus
1934	401 "	438 "	37 " "
1933	340 "	377 "	37 " "
1932	442 "	492 "	50 " "
1931	775 "	821 "	46 " "
1930	597 "	600 "	3 " "
1929	568 "	577 "	9 " "
1928	579 "	579 "	Same

It will be observed that in two years they were very accurate, and the final results were the same as the August estimates. All the other years finally turned out larger; and during five years out of seven the increase amounted to as much as from 33 million bu to 50 million bu. For spring wheat we shall have another report in September.

We are inclined to believe that our winter wheat crop this season is again underestimated, but this is largely based on the heavy movement up to the present time. Unless yields had been very satisfactory to the farmer we do not think this would have happened. Take Kansas City, for instance, primary receipts from July 1 to date inclusive were about 60 million bu. This compares with 64,509,000 bu for all of last season during twelve months, and only 51,084,000 bu the year before. Then take Canada: we believe if half a dozen Canadian or American grain men met to discuss how many bushels the last Canadian Government report giving a condition of 35 really means, every one might have a different opinion. We looked up the July report of a year ago when the condition of 45 was given instead of 35, as it was this year and the generally accepted idea then was for a crop of 190 million bu for the three provinces. On the same basis it would give for this season 148 million bu. However, last year's final crop was 22 million bu larger; so unless there has been further deterioration a similar experience might occur this year in Canada.

It is less important as far as Canada is concerned whether the crop finally will be somewhat larger or smaller because in any case they will not be able to export large quantities of wheat. But it would be different here in the United States if the final crop should be almost 300 million bu larger than the one in 1936, which was 626 million bu, and which would give us an immense exportable surplus.

It is quite natural under these circumstances that we should watch foreign markets very closely and when cables came lower today than expected before our session opened, our market immediately became very weak; when they recovered later it advanced in sympathy. Futures finally closed at Liverpool 3/8 to 1¢ per bu higher, but the difference between our September wheat and their October wheat is still too narrow to look for much business. Nevertheless we believe that scattered transactions in both Manitobas and hard winter wheats are taking place daily, but it is done on a very narrow margin and no great anxiety is shown on part of English or Continental importers.

Weather in the Southern Hemisphere continued unfavorable. Rains are needed over the greater part of the wheat-growing area. Weather is clear at the present time, and while there is plenty of time for precipitation without much damage being done, nevertheless it is not safe to figure on average or better crops until the moisture is actually received.

According to the Department of Commerce, total wheat exports from the United States from June 28 to August 7 were 2,888,000 bu,

(OVER)

and flour exports 187,000 barrels, equal in bushels to about 841,000; so the total exports up to date are about 3,700,000 bu, which we consider as extremely small. The Rumanian government has decided to give a bounty on wheat exports, so that country will probably be a liberal seller.

World shipments this week will probably be quite light. Argentina actually cleared 876,000 bu; Australia 1,473,000 bu, and the tot from all countries probably will be not more than 7 million bu, where about 10 million bu or more is expected to be required weekly by the different importing nations.

Primary receipts continue to be large, 2,159,000 bu compared wi only 806,000 bu last year, and 2,722,000 bu last week. However, ther is a decided dropping off at interior points, and receipts at Wichita, Hutchinson, Salina, Enid and Fort Worth were only 148 cars, which is much less than the preceding days and weeks, but last year there were only 104 cars.

The domestic situation therefore still remains rather bearish and stocks will continue to accumulate, but until the drought is relieved in the Southern Hemisphere, traders will be rather cautious and final prices of course will be made according to the size of the crops in Argentina and Australia. In the meantime the nearby future, September, remains quite strong, and even between December and May wheat there is only a very small carrying charge. This is all caused by the fact that such a large percentage of the arrivals here had bee low test wheat and the trade is afraid that not sufficient contract wheat can be made to satisfy the shorts in the September future. We do not share this opinion as we know that quite a good deal of heavy test wheat is being shipped now both from St. Louis and Kansas City to Chicago and this might enable the elevators finally to make sufficient deliveries to establish a fair-sized carrying charge.

At the close our market showed an advance for the September whe of 1/8¢ per bu and 1/4¢ for December compared with yesterday.

Despite very favorable weather in the corn belt both December and May corn were comparatively strong, the market probably having bee oversold. Showers have occurred during the past twenty-four hours in Nebraska, Kansas and portions of Texas, and everybody seems well satisfied with the outlook of the corn crop. There was less anxiety on part of September longs to liquidate for fear that Chicago might be swamped with new corn from Texas in time for September delivery. Texas probably will raise about 75 million bu of corn, two-thirds of which is white corn, which is wanted all over the country by industries; some of them haven't seen any for a long time on account of it being so scarce. There will be many holes to fill before any can reach Chicago and pay the 25¢ per bu freight. It will be wanted all over the Southeast and all the way to Kansas City. We do not look for much of any movement of Texas corn to Chicago in time for September delivery unless the price should go so high that it will become very attractive.

Trade in oats is very light and fluctuations limited. The tota trade yesterday in all futures was only 1,575,000 bu.

Rye keeps fairly strong, particularly for the nearby future.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 14, 1937.

We are informed that Rumania is now pressing wheat for sale and that Russia also is offering very freely. This easily explains the weakness abroad and their indifference at the present time to buying wheat here in large quantities. The lower cables are, therefore, understandable. Liverpool futures declined 1 1/8 to 1 1/2¢ per bu. It is quite evident that foreign prospective buyers are aware that at the present differential between Liverpool and Chicago, as well as Canada, larger quantities of desirable wheat could not be obtained. If they, nevertheless, are so entirely unconcerned, it must be the knowledge that at least fair quantities of wheat can be had in other quarters. Possibly it is the hope that Russia this season may sell much more than in other years which is responsible for this confidence in lower values. However, whatever the cause may be there was hardly any export business consummated overnight; and as time goes on unless this changes the accumulated supplies in the United States which will still be increased, may become quite burdensome.

According to the Department of Commerce at Washington, grindings of wheat for the crop-year ending June, 1937, were 461,977,000 bu vs 455,507,000 bu the previous season, 440,665,000 bu two seasons ago and 431,360,000 bu three seasons ago. This shows to us very plainly that the per capita consumption in this country can no longer be reduced, despite the many substitutes being used for bread; and that with our increasing population we are bound to have an increased consumption. Assuming that this coming season our consumption should be 465 million bu for human needs, 100 million bu more for seed and 85 million bu for feed to animals and other uses, it would give us only a total consumption of 650 million bu.

We repeat again, therefore, that whether the statistics are right or wrong within 25 million bu, there remains the indisputable fact that with the production of this year's crop we shall have an exportable surplus which is large enough to permit monthly exports from now on of 15 to 20 million bu. At the rate we are going now it may not be more than 5 million bu for the month of August; and during July it had been quite insignificant.

There was no moisture in the Southern Hemisphere overnight, but Broomhall reports that showers are predicted for Argentina. Of course that country needs more than light rains, but should the drought be more or less relieved it would have quite an effect on sentiment, and, therefore, in shaping values.

Our domestic receipts are keeping up, and while there is a decrease in the Southwest, as well as in the soft wheat producing states, there is a bigger movement in the Northwest. So primaries still make a very good showing --2,105,000 bu compared with 829,000 bu last year, and 2,645,000 bu a week ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 2,827,000 bu. We look for a good-sized increase in the visible supply on Monday, and much larger than the one which took place last year. The open interest is still very large, 134,161,000 bu, of which 56,564,000 bu were open last night in September contracts. It is, therefore quite evident that there must be heavy liquidation yet during this month; and while September kept quite strong today we think there will be a widening as the delivery period approaches.

At the close the September future lost 7/8¢ per bu, and the December also 7/8¢ per bu compared with yesterday.

Corn receipts were somewhat better today, being 15 cars, but of course this is still a very insignificant amount. September corn held relatively firm, closing somewhat higher than yesterday.

Oats and rye receipts were very disappointing considering the immense crops. Evidently the farmer is reluctant to sell at present prices, and feels he can do better by feeding these cereals as much as possible.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 16, 1937.

Liverpool cables were quite weak today before our session opened, they declined still further during the day, and at the close showed a loss compared with Saturday of 2 1/8 to 2 3/8¢ per bu for the various futures. Their October wheat is selling at only about 14¢ per bu higher than our September wheat, which gives very little encouragement for any extensive business; in all probability the volume done today was very small.

Clearances from all of North America were only 2,518,000 bu this week compared with 4,569,000 bu last year; and since July 1st both the United States and Canada combined cleared only 18,300,000 bu against 31,800,000 bu in 1936, or 13,500,000 bu less. This is a poorer showing than anybody had anticipated. It was reasoned that with supplies in both Argentina and Australia being so largely reduced Europe will become very much dependent upon North American supplies; and as Canada had such a poor crop the United States will profit from this situation more than anybody else. It is an undisputable fact that there is a large surplus here, and no large quantities could be obtained anywhere else. It seems, however, that for reasons difficult to explain Europe seems to be getting along at the present time with very small importations. Total world importations this week were only 6,443,000 bu versus 8,948,000 bu in 1936; the total from all quarters so far are 7 million bu less, and with smaller carryovers than the previous year, this is agreat disappointment. The amount on passage is now much the same as similar period last year --21,392,000 bu versus 21,672,000 bu in 1936; we do not think it will be permitted to be reduced any further, as it constitutes only about two weeks' normal requirements. We also have in mind that possibly English merchants might be better posted on the Russian situation than we are, and they are looking forward to heavier shipments from there. If this view is correct there ought to be some visible signs before long, as the Soviet winter wheat crop has made satisfactory progress, and over 50 per cent has been cut already.

Assuming that this year in North America we started with about 57 million bu more wheat than in 1936, taking as a basis the official crop estimates and carryovers, and with 13 million bu less shipped, we have at this time approximately 70 million bu more wheat to take care of than last season. The consequences are steady increases in the visible supply, and the gain for this week amounted to 8,307,000 bu; and the total is now 110,291,000 bu,or 35 million bu larger than the previous year. We do not think we have seen anywhere near the end of these increases, as the spring wheat movement has only just started, and for the first time today there were quite heavy receipts in both Minneapolis and Duluth. They helped swell the primary receipts, total for today being 2,866,000 bu versus 1,601,000 bu last year and 3,522,000 bu a week ago.

Owing to the poor outlet for abroad some strange movements of wheat are taking place at the present time. Ordinarily with large crops, the excess amount of wheat raised in the Southwest would go to Gulf ports for shipment abroad, and St. Louis and Buffalo usually ship wheat to the East, but this year wheat occasionally is being brought to Chicago from both St. Louis and Buffalo. This is being done chiefly to improve the quality of the wheat here as a great deal of the present arrivals have been of low grades.

The rains during the last 48 hours in Australia seem to have been very satisfactory, and less alarm is being felt now about the outcome of the crops in that country. Early reports from the Argentine were rather pessimistic, as there had been no rains anywhere. During the session cables were received here reporting scattered showers, and then others that rains are predicted. Until we are reasonably sure about the outcome of the crops in the Southern Hemisphere there will be a certain hesitancy about being too opinionated at present regarding final values. However, for the moment we might assume that possibl Argentina and Australia might furnish their usual quotas for export, and in that case after January the situation in our opinion might look quite hopeless for a high level of prices. There is plenty of wheat in

(OVER)

sight in the Northern Hemisphere to supply the European importing countries with all their needs during the next 4 1/2 months. This would cause no particular strain on the United States, even though our final crop should not turn out to be any larger than the August government report. In the meantime we are also receiving some ver reliable reports from Canada stating that the weather has been quite favorable for filling, and estimates on the final yields are being raised, the general opinion now being that the three provincesmight produce 160 to 165 million bu, and with 17 million bu in the East, Canada might yet have 180 million bu. This would not make them quit as negligible a factor in the export business.

At the close our market showed a decline for the day of 3/8¢ pe bu.

The corn market on the contrary was strong and higher, some apprehension being felt on account of high temperatures in the Southwe where damage is being claimed. We, ourselves, pay very little attention to these pessimistic reports, as we think the outlook at the present time is for such extraordinarily large yields that even some damage would hardly be noticed unless it were very considerable; and with the par value being raised in the September report we have great doubts whether the final figure will be much smaller than is anticipated now.

Oats fluctuate but little at the present time; considering the large crop receipts are very light, but farmers are indisposed to se at the present level.

Rye was weaker, partly in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
IEW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 17, 1937.

For quite a while English millers could not be stirred regardless of bullish news, which at times excited traders here and in Canada. Despite poor crops in Canada they were very indifferent buyers and permitted their stocks to run down to very small proportions. Drought in the Argentine seemed to affect them but little; but today when it became known that charters for space were made by Japan, a mild war scare seemed to have developed and cables, which were indifferent before our session opened, showed a sharp advance before Liverpool's close, with futures advancing 3 1/4 to 3 3/8¢ per bu. We have not yet learned of any big export business taking place but at least there is greater hope that same will develop now, unless, of course, events in the East should so change that a more optimistic view would be taken regarding the effects of a Sino-Japan war. The last war which took place between these two nations had no effect on wheat prices, but it may be entirely different this time, because with all the disturbances in the world and the dangerous situation which also exists in other parts of Europe, particularly Spain, nobody is smart enough to predict whether the hostilities might be confined to these two nations or whether at some future time other countries might become involved. Furthermore, with our new neutrality laws the possibility exists that our trade might be interfered with, and it is not at all certain that the Orient will buy larger quantities of wheat or flour than during peace times. However, as a rule warring nations consume and waste more than their people do in peace times, and it is generally conceded to be a bullish factor.

The immediate response both in Canada and here was quite natural and a sharp upturn took place, with a net gain in our December wheat, the leading future, for the day of 1 5/8¢ per bu compared with yesterday.

When we compare our prices with those at Liverpool we find that theirs is still the cheapest market, and at the close today our May future is only about 10 1/2¢ per bu lower than Liverpool March wheat, and with ocean freight rates very high, at least from 10 to 15¢ per bu, not figuring all the other expenses, particularly the cost of bringing the wheat to the seaboard, shows how much we are apparently out of line at the present time. Nevertheless some transactions take place right along. England continues to prefer to buy Manitoba wheats. It was even claimed that France had purchased some small quantities of Canadian varieties, as well as hard winter wheats. The total amounts still remain insignificant considering the large supplies available in the United States.

As a matter of fact elevators at a number of our terminal markets are filled to the roof and are compelled to ship to other points where there is still room left. Even here in Chicago some claim they are compelled to ship out some wheat almost daily in order to make room for purchases they have already made, which otherwise could not be unloaded. With the Northwest movement on now in earnest and with their receipts being quite considerable despite the poor crop, primary receipts continue to be very good; they are almost, although not entirely, three times as large as the same day in 1936;namely, 2,401,000 bu versus 884,000 bu, and they are actually larger than last week when they amounted to 2,333,000 bu, While it is very early in the week to make any predictions, indications are that the visible supply next Monday will show another increase. So far only one day after the report came out, stocks show an increase at Kansas City, Duluth and Minneapolis of 739,000 bu.

It is, therefore, quite evident that the present scare which had developed abroad will not have a permanent effect, unless it is followed up by much larger cash purchases. This particularly so as hedging sales will continue to increase and have to be absorbed by new buyers. Fortunately, same have appeared right along whenever needed, and the open interest is the largest it had been for sometime, 137,096,000 bu, gaining for the day 2,323,000 bu.

(OVER)

The corn market continues to be largely influenced by weather conditions, as it is being feared that drought has already reduced prospects some, and precipitation is very urgently needed. There wer light local showers during the past 24 hours in Nebraska, Iowa and Minnesota, while over the rest of the district mostly fair weather prevailed. Rains in Iowa were quite heavy at a number of places, but not very general. The moisture in Nebraska did not amount to much, but according to weather students the forecast is for some relief during the next 24 hours.

There were only four cars of corn receipts here today, but neve theless September corn closed at a slight decline, probably being influenced by the final weakness in December and Maycorn; the trade anticipates a change in weather conditions.

Oats and rye benefited from the strength in wheat and closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
N / YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
E YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 18, 1937

Broomhall reduces his estimate on prospective world requirements ring the present season to only 496 million bu. This is 40 million t less than his last report and compares with shipments from export- ig countries during the season 1936-37 up to July 1 of 566 million u. This is exclusive of 30 million bu shipped to the United States, hich was an extraordinary occurrence and, which, of course, will not ppen this year. The quantities furnished outside of North America re as follows:

Argentina	-	163 million bu
Australia	-	103 "
India	-	13 "
Danubian Provinces	-	65 "
Other Countries	-	32 "
or a total of	-	376 "

his coming season we assume that Argentina and Australia will ship con- derably less even if their crops come through all right; they have ery little old wheat left. India probably will furnish more; the nubian provinces about the same; and other countries considerably ore because Russia will be more of a factor.

Assuming for argument sake that these various countries will sup- ly only 325 million bu instead of 376 million bu, or 51 million bu ess, North America would have to clear only 171 million bu to fill he needed gap. If the Argentine crop should deteriorate further on ccount of drought, as much more would be needed to make up the addi- ional deficiency which might occur. Inasmuch as Canada with improved rospects now could easily furnish 71 million bu or more, prospects or United States wheat and flour clearances would amount to only 100 illion bu. With our crop of 890 million bu, even if the final yields re not larger, a maximum consumption of 675 million bu would leave s an exportable surplus of 215 million bu. Therefore, the supposi- ion is that we shall find ourselves on July 1, 1938, with considera- ly more wheat on hand than the past season; and the question is, what ill wheat be worth should we have a surplus then as indicated by hese figures.

This particularly so as the Southwest is keeping very busy now ith plowing, which is much further advanced than it was last year; nd the intention is to sow another large acreage. As soil conditions ust be better than they have been for a number of years, there seems o be no special inducement to lay in large stocks into the next crop, articularly where Canada has had already five crop failures in suc- ession and might raise much more wheat next season than she has for long time.

Cables were considerably weaker today, Liverpool wheat futures eclining 1 7/8 to 2 3/8¢ per bu. The eastern war scare which was an nfluence yesterday has disappeared. The fact that Japan commandeered number of steamers compelling merchants to replace them at London ith other freight charters could only mean higher prices for the im- orting nations if freights would have to be raised, but otherwise hould have no effect on world wheat prices or consumption.

News from the Southern Hemisphere is still unsatisfactory. ains in Australia were hardly sufficient and drought in the Argen- ine has not yet been broken; but it is still too early to predict calamity, as one good soaking rain in time would be sufficient to ake it possible to raise an average crop.

The wheat movement at interior points in the Southwest is gett- ng very light. Fort Worth, Enid, Wichita, Hutchinson and Salina eceived only 93 cars compared with 67 last year. As a matter of act, all the winter wheat terminals are showing a great falling off n receipts against last week; but the spring wheat movement is in-

(OVER)

creasing to such an extent that the total receipts of primaries are almost as large as last year, being today 1,808,000 bu vs. 2,188,000 bu last week, and 1,221,000 bu last year. Under these circumstances stocks will continue to increase and so far this week there is a gain at Minneapolis, Duluth and Kansas City of 1,540,000 bu.

There has been a tendency during the last few days of a widening carrying charge between September and December, as well as December and May wheat, and this we think will continue. Some of the elevators here are so crowded that they are shipping wheat to other markets, mostly Montreal, in order to make room for new purchases. Therefore, it is only reasonable to expect that they will make deliveries on September contracts, not being afraid that the wheat might be shipped out. It seems they would actually court it in order to have space for new arrivals. Furthermore there doesn't seem to be any good resting place for this wheat at the present time, as long as the export demand remains so poor. Exporters who own wheat in Montreal tell us that it is impossible to sell it at the present time without a loss. Inasmuch as it costs 4 1/2¢ storage to carry wheat in Chicago from September to December and 7 1/2¢ from December to May, without figuring interest and insurance, it certainly would seem to be advisable for holders of September wheat to transfer their contract to some more deferred months.

At the close September wheat declined for the day 1 3/4¢ per bu and December wheat 1 3/4¢ per bu compared with yesterday.

There were very fair rains in parts of Nebraska, as well as Iowa, but Kansas was not very much favored. However, prospects are for additional moisture and corn futures weakened a little but the undertone remains firm as there is no actual pressure. Receipts here were only 5 cars and while this light movement exists stocks are bound to decrease, which might make shorts in September corn quite nervous as the time for delivery approaches.

Trade in oats continues to be very light. Not much interest is shown in this cereal. Rye, however, was very weak and with the large crop, receipts ought to increase before long.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 19, 1937.

As usual at this period holders of September wheat gradually make up their minds what to do with it. After today there are only ten days left before trades can be carried without fear of delivery; after that storage, interest and insurance charges accrue on the grain, which has to be paid for. At the close of last night's session the open interest in September wheat amounted to 52,274,000 bu. There are, in our opinion, comparatively few who are anxious to take delivery, therefore, there are only two alternatives left if they do not elect to carry the cash grain: namely, they either have to sell it or transfer it to some future month. In years when there is no particular demand either by mills or exporters for the cash article, it very often has the tendency to depress the nearby future and bring about a widening tendency between it and the more deferred months. This, we think, is also likely to happen this year --in fact, during the last three or four days it has tended in this direction to a small extent and probably will continue. Prospects are that any wheat which will be delivered in Chicago will be two red, as all the other grades are higher in value and this particular variety is not in good demand at the present time. It is very plentiful in the East where prices are relatively cheaper; nor is it the type of wheat desired by Europe. We, therefore, believe that if fair-sized deliveries are made on September 1, which we expect, they will be somewhat of a drug on the market for the time being. Elevators here are very full, they are finding it difficult at the present time to sell this red wheat anywhere to good advantage, and will be perfectly willing for somebody else to take it out of store and merchandise it.

We think that this beginning of September liquidation was somewhat of a factor in bringing about further declines today. Cables it is true were also lower, Liverpool wheat futures showing a loss of 5/8 to 1 1/8¢ per bu. However, the fact that the French wheat estimate was reduced gave a little more encouragement to foreign buyers. Up until now we were left under the impression that the French wheat crop would be larger than the one of a year ago, but one expert now makes the result only 220,800,000 bu compared with 244 million bu in 1936. Should this prove to be correct, it is quite possible that Broomhall may have to raise the estimate of the requirements of the importing nations. This particularly so as 496 million bu certainly would not go very far. The United Kingdom last year imported 213 million bu, and this is the quantity which is being absorbed almost every year; ex-European countries took 87 million bu, or a total for the two of 300 million bu, which would leave only 196 million bu for all of the other Continental nations.

We continue to believe that the North American crops had been under-estimated: Minneapolis and Duluth received today 715 cars compared with only 197 cars similar day in 1936. These large receipts of spring wheat keep up total primaries, which today amounted to 2,072,000 bu, actually larger than last week when they were 1,990,900 bu versus 983,000 bu in 1936. Stocks at Kansas City, Duluth and Minneapolis continue to increase, and show a gain so far this week of 2,052,000 bu. We, therefore, look for another very fair-sized increase in the visible supply next Monday, when it is likely to exceed 115 million bu, which would be larger than any of the three previous years--1934, 1935 or 1936.--

The maximum reached in 1934 was on September 8 of 115,481,000 bu
1935 " October 24 " 78,100,000
1936 August 29 78,445,000

We see no reason now to anticipate that the visible supply will not increase for a very much longer period this season, as the spring wheat movement has only started and will keep up for some time.

(O V E R)

While it is difficult to size up the amount of export business, and although it is not particularly large, yet transactions take place almost daily. We think there is a fair demand for the #2 hard wheat which was shipped to Montreal, but the red wheat is neglected, and it is difficult to obtain a satisfactory bid for same. Black sea shipments this week are 960,000 bu, which include 88,000 bu from Russia; last year they were 1,080,000 bu. India cleared 352,600 bu versus 272,000 bu the previous year; and Argentina 808,000 bu against 887,000 a year ago. These are not very large quantities to take care of; and it is not to be assumed that either Australia or North America had been large shippers during this week, so next Monday world importations should show up to be again quite light.

There were no rains to speak of overnight in Argentina, although they may have had some scattered showers, but they were quite insignificant. Weather remains cloudy, and hopes still exist that the drought will be broken. If so, the actual damage done up to date would not be considerable.

At the close our market showed a decline of 3 3/4¢ per bu for the September future and 3 1/8¢ for the December.

Corn had troubles of its own, but it was also affected by the weakness in wheat. There were good showers during the last 24 hours over many sections of the corn belt, being particularly heavy over portions of Iowa, Missouri, and Illinois. There are some spots left where rains are badly needed, but we cannot change our opinion that the corn crop prospects as a whole are very excellent. Receipts in this market today were only six cars of domestic corn, and they were also light everywhere else; old corn will continue to remain very scarce. Therefore, September corn did not decline as much as the more-deferred months.

Oats fluctuated very little; it seems that the farmer is not willing to sell at present prices, receipts are light, and there is no pressure.

Rye was affected by the other cereals and declined.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 20, 1937.

Liverpool cables did not anywhere near follow our yesterday's decline, and closed only 1/8 to 3/8¢ per bu lower. They undoubtedly would have done even better than that but the ghost of Russian shipments is like the Sword of Damocles hanging over the market, and millers abroad are afraid to lay in large stocks for fear that pressure from Russia might be very great as time goes on. Nobody has any positive information on this point, but it is generally surmised that yields in that country this year are exceptionally good, the acreage was large, and the quality is very satisfactory. Only time can tell what quantities will be exported this year from Russia, but the fact that she had practically none to spare last year, any large quantities cleared from there this season might become a very important factor.

In the meantime, actual shipments from the exporting countries remain very small: Argentina shipped 853,000 bu compared with 887,000 bu a year ago; Australia 917,000 bu versus 1,293,000 bu, and Bradstreet estimates for North America, 2,890,000 bu against 4,578,000 bu the previous season. This last item is the important one for us, as both the United States and Canada together since July 1st cleared only 18,829,000 bu, whereas in 1936 they shipped 30,556,000 bu. It is quite evident that the United States alone could have furnished that much, and could continue at that rate during the next ten months without exhausting the surplus raised on this crop. However, whatever little old wheat is left in Canada, as well as the new arrivals, seems to be given the preference abroad, and daily transactions are taking place in Canadian wheat, while the demand for the United States varieties is very limited. We have not heard of any transactions today in United States wheat for shipment abroad.

Liquidation continues in the United States, and the open interest in September wheat decreased yesterday 4,059,000 bu to 48,215,000 bu. This is bound to continue as with the poor demand prevailing at the present time it is not likely that many holders of September wheat will wish to take delivery and pay storage charges until the wheat can be marketed. Fortunately the open interest for all other futures of wheat is still increasing, the total reaching about the highest point for some time, being now 141 million bu. This, however, does not seem to be sufficient and more new buyers are needed to sustain the market as long as the movement keeps up at the heavy rate it is now, and as long as the flour business is either normal or below but certainly not above that.

The flour output at Minneapolis for the week ended August 14th was only 97,413 barrels, or 38 per cent of capacity. Considering that Minneapolis today received 455 cars of wheat, this quantity for one day would be sufficient to produce the number of barrels ground in the preceding week as mentioned. Owing to this heavy movement in the spring wheat territory, the primary movement remains large --1,749,000 bu compared with only 993,000 bu in 1936, but somewhat smaller than last week when it was 2,159,000 bu. It is true, the Southwest movement is steadily decreasing, but it is still greater than for the similar period a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis increased 2,704,000 bu, while the total increase in the visible supply a year ago was only 2,220,000 bu, so it will again exceed that quantity by a great deal.

The one great hope for higher markets was based on a crop failure in the Argentine, and possibly some deterioration in Australia. Prospects in the latter country are only fair, but the possibility exists now for a crop almost as large as last year. In Argentina there was some moisture overnight. This precipitation will be some help, but the total amount was by no means large, and more will be needed within the next few days. In this connection it is interesting to note that Broomhall in his estimate of 496 million bu for requirements of the importing nations, assumes already that not more than 176 million bu will be furnished by Australia and the Argentine, which would compare to 269 million bu the past season. Naturally if the Southern Hemispher would furnish more than that then the United States and Canada would not be called upon for 200 million bu, as he believes they will; and if that were the case our carryover might easily increase 100 million bu.

With such burdensome supplies as we have on hand now, and which will increase further, we look for a very much wider carrying charge later on between December and May wheat, and a difference of 5¢ per bu would not be at all surprising. Therefore, feel that new commitments should be made in the May wheat, and any short sales should be confine to the December; also we think a spread between these two futures will be very profitable without assuming a great deal of risk.

At the close of the market the September and December futures showed a decline of 2 1/2¢ per bu.

Long before the weakness started in wheat, corn declined, the more deferred futures being influenced by copious rains which had fallen in the corn belt during the last 24 hours; the September future wa also offered freely. It is difficult for the trade to get used to suc a high price for the September corn compared with other cereals, but nevertheless a special condition exists. Receipts today were only 8 cars, and the outlook for bringing much corn here is very small. There is a little corn moving now in Texas but it goes in every direction except to Chicago at a higher price than it would fetch here. The open interest in this future is still over 19 million bu, and is decreasing but little from day to day.

Rye and oats were very largely influenced by the surrounding pit and closed lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 21, 1937.

After the close of the market yesterday a great many people were debating in their own minds what the proper price of wheat was on basis of knowledge and statistics now at hand. First of all, it is true that despite rust infestation in this country, and the many alarming crop reports which had been sent out earlier, that harvesting returns now reveal that we shall have very good supplies, and crops which will probably be the largest during the last six years. On the other hand, Canada suffered much more severely, and the quantities of new wheat for export will probably be extremely small as compared with previous seasons. Broomhall has now reduced his estimate of European import requirements to a level where no great shortage will exist particularly if the Southern Hemisphere crops turn out anywhere near average figures.

At the present time some fear is being expressed because of lack of moisture in the Argentine, although an official report released yesterday stated that conditions were favorable over most of Buenos Aires and the Entre Rios, but the crop was claimed to be backward in the former province. In Cordoba, the Pampa and central Sante Fe the present outlook is unsatisfactory; this apparently was the reason for the strength in the Buenos Aires market both yesterday and today, and future weather will be watched very carefully. The season is still very early.

In the meantime further beneficial rains had been received over wide-spread areas in Australia this week, and the surface moisture at the present time is quite satisfactory.

A great many speculators some weeks ago were boosting prices on the theory that Europe would have to come to us for their supplies, but apparently theyforgot that during the last four or five years we have practically been out of the export picture. While Europe did require imports, as is always the case, there were a great many buyers particularly in England who were unwilling to make purchases without first knowing what kind of grain would be tendered to them, and many of the large mills were insisting that they would only buy their wheat after samples had been submitted in order to insure the quality which they wanted. This being the case, the export demand for our American hard winter wheat has been very disappointing, and instead of Europe coming over here with open arms we have found the necessity of trying to wean them back instead of going to Canada as has been the case for the last four or five years while we were unimportant as an export factor.

The market has now reached a point where we consider the price level debatable. September wheat was as low yesterday as it had been last June before the great damage had occurred in Canada. We still believe that sharp advances will not be witnessed until liquidation of September contracts is more nearly complete, but with the movement in the Southwest falling off materially pressure from that source has diminished; and same will be true in a few weeks when receipts in the Northwest will also be light.

Our market, influenced by less weakness in Liverpool than had been expected, rallied somewhat, and there was also a small export business in Manitobas overnight which brought about higher prices in Winnipeg. The greatest strength in the domestic markets occurred in Minneapolis, where it was claimed a good flour business had been accomplished.

At the last our December wheat showed an advance of 5/8¢ per bu.

Primary receipts remain large --1,874,000 bu compared with 658,000 bu a year ago, but smaller than last week when they were 2,105,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 2,790,000 bu.

September corn at one time was very weak. It seems that longs are liquidating, and despite the fact that arrivals to market are very small a good many people feel that the nearby future is selling at a tremendous premium over new-crop months. At the same time, the lower prices go the less chance there is of bringing new corn to this market from Texas points, and knowing what a tremendous consumption takes place weekly we feel that with stocks so nearly exhausted the September future has comparative merit. New-crop months are at a level now where we would not advocate short sales despite the generally optimistic crop reports.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 23, 1937.

Wheat news fromEurope over the weekend was rather discouraging
nd Liverpool wheat cables finally closed 1 1/4 to 1 7/8¢ lower, the
iggest decline taking place in March wheat. This would indicate that
he outlook is more hopeful for the crops in the Southern Hemisphere.
here were beneficial rains received in Australia and some scattered
howers in the Argentine. However, this latter country will need lots
ore moisture to relieve the situation.

In the meantime Russia and Rumania are offering wheat very freely
nd some private estimates are out on the exportable surplus from Russia
ndicating that total wheat quantities available for export will be
uch larger than Broomhall's latest figures. This, of course, is also
ubject to revision, as nobody will know until the season is further
dvanced just what the clearances for twelve months might be from
ussia. We are rather inclined to believe the more optimistic state-
ents because nobody disputes that her crop was a very large one on a
eavily increased acreage. In the meantime Europe seems to be getting
long with very small quantities, total importations amounting this
eek to 7,464,000 bu compared with 9,102,000 bu last year. This how-
ver, is again at the expense of a reduced amount of wheat on passage,
he reduction being for the week about one million bu, and the total
float now is 2 million bu less than in 1936 similar period, being
0,272,000 bu. It is very seldom that supplies are permitted to run
own to such low points and it shows clearly confidence on part of
illers that they may obtain their supplies somewhere whenever they
ant them. North America furnished only 3,870,000 bu vs 4,762,000 bu
ast year; and since July 1 the United States and Canada together
leared only 22,188,000 bu, which is 14,510,000 bu less than last year.
t therefore seems possible that Broomhall's views that much smaller
mportations will be needed this season to supply the wants of Europe
nd ex-Europe might be correct.

In the domestic markets there were a great many contradictions,
nd they did not follow each other very closely. Minneapolis, the
reat milling center, was very strong; but Kansas City, which is also
xtremely important, was very weak. Then again, Winnipeg during most
f the session showed declines, while the great strength in corn,
articularly for the September future, was a big stimulant here. Our
wn view is that the wheat situation is becoming rather more bearish,
ith increasing supplies in this country and a poor export demand. Al-
ost in the same proportion as the winter wheat receipts are decreasing
he spring wheat movement is enlarging. Carlots at Fort Worth, Enid,
ichita, Hutchinson, and Salina were only 110 cars-- a very small
uantity for a Monday, and compare with 218 cars last year. To off-
set same, however, receipts at Minneapolis and Duluth amounted to
,498 cars versus only 146 cars a year ago. Therefore, primary re-
eipts continue to make a very good showing, amounting to 2,609,000 bu
gainst 822,000 bu in 1936, or more than three times as much, but only
trifle less than last week when they amounted to 2,866,000 bu. Under
hese circumstances, and unless this changes radically, the heavy in-
rease in the visible supply today will not be the last by any means.
tocks gained 6,528,000 bu, and the total visible supply is now 116,-
19,000 bu, or 38,775,000 bu more than the previous season. The open
nterest is being somewhat reduced, probably through September liquida-
ion, and stands now at 137,437,000 bu; not a great deal more than the
isible stocks, and a large percentage of which is being hedged.

At the close after many fluctuations the September and December
utures showed a decline of 3/8¢ per bu compared with Saturday.

Weather was generally fair everywhere since Saturday, except
howers east of the Mississippi river; it is rather warm in the North-
est and cool in the eastern states. We think the corn crop ought to
ake good headway with these atmospheric conditions, but the price has
eclined now to such a point that everything in the way of bearish news
ay be at least temporarily discounted. This particularly so as old
orn remains scarcer than probably any man living has ever seen it at
his time of the year. Chicago received only three cars, and it cer-
ainly seems as if supplies of United States corn are pretty nearly ex-
austed. The visible supply showed a decrease of 122,000 bu, and amoun
ow to 5,798,000 bu. The open interest in September corn is still
8,443,000 bu. We believe there was quite heavy short covering today,
ut top prices were not maintained, yet there was quite a substantial
ise compared with Saturday.

There is very little interest shown in oats, but rye was very wea
nd considering the large crop we raised with the very indifferent de-
and it is easily understandable.

UHLMANN GRAIN CO.

MEMBERS:
HICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 24, 1937.

Liverpool was fairly strong this morning, quotations at the close avancing from 1 1/2 to 1 7/8¢ per bu. This was mostly due to the absnce of any important rains in the Argentine. Broomhall also reported tat English importers had bought Liverpool futures today, despite the fct that the flour trade abroad remains very slow. There has been a fir business recently in both Russian and Australian wheat and overnght possibly half a million bu of Manitobas were sold, although the dmand for American winters was still extremely light.

Until foreigners come to the United States for larger quantities w are afraid that it will be difficult to have any sustained advances, prticularly as receipts in the Northwest are still very large; and wth Minneapolis and Duluth filling their elevators there is bound to b hedging pressure for at least a few weeks yet until the peak of the mvement has subsided. Furthermore, September liquidation must still b dealt with, and on basis of the last official figures the open iterest in the nearby month exceeds 39 million bu, with only seven days yt before deliveries become a factor. We understand that there is sme red wheat being loaded at Milwaukee, which is coming to this markt presumably to be tendered on September contracts. It is our opinion tat during the last two or three days of this month there will be sufficient liquidation here to widen still further the spread between eptember and December wheat. When it is considered that there are early 15 million bu of wheat in this market, we doubt whether anyone lng the nearby month will have to wait very long before having his contract fulfilled.

At the moment there is a certain reluctance in selling wheat short s naturally any prolonged drought in the Argentine might finally alter resent calculations. It is a fact, however, that in a normal year the rgentine gets about 30 inches of rain during the 12-month period and t might be equally dangerous for anyone to figure on the abnormal ppening, as the law of averages would be against that sort of speculaion. The fact, however, that we have had several drought years in his country, as well as in Canada, creates a psychology among certain eople in the trade, and this may be responsible for the steady markets ow being encountered.

Russia is still the unknown quantity, but we believe that within he next few weeks there will be some clarification in this direction, s generally when there is a surplus for export, there are signs beore the middle of September indicating what the final possibilities ay be. Should that country be able to ship 40 to 50 million bu, it ould be quite an offset to the deficiency in Canada where rust and rought took such a heavy toll of this year's crop.

Receipts in our own Southwest are becoming very light now and ery likely the farmer has decided after selling substantial quantities f this crop to await further developments. In any case we figure on nother pretty good increase in the visible supply next Monday; and t will be sometime yet before hedges are removed from the market, uness there is a marked change in the demand on part of foreigners.

Rainfall has been very heavy over most of Kansas and all of klahoma during the past week, and in fact, was really the heaviest or several years considering the time of the season. This will unoubtedly have its effect later on as it makes the ground particularly avorable for fall plowing and seeding, and we expect another large creage to be sown to winter wheat.

Primary receipts are still very heavy, amounting to 2,265,000 bu, hich is almost as large as last week despite the falling-off of Southestern receipts, and compare with only 637,000 bu last year. However, here were 390 cars of wheat received at Minneapolis, and 263 at uluth, or 653 cars in these two markets against only 209 a year ago. o far this week stocks at Kansas City, Duluth and Minneapolis show a otal increase of 1,442,000 bu.

At the last our market lost practically all of its gain, and ecember Wheat showed an advance of only 1/8¢ per bu.

Corn at times was strong, influenced by the fact that there were nly six cars in this market today, and there seems to be a depletion f supplies. Even the relatively high price of the nearby month fails o bring about a movement from the country. It is true that rains and ool weather have benefited crops in many of the corn states, and the ituation will probably be quite different later on. The open interest n September corn is very large at 18,252,000 bu, or almost half as arge as in September wheat, despite the fact that the amounts availble here for delivery are extremely small. We continue to believe that eptember corn is in a class by itself, and therefore previous precdents should be ignored.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
NE YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 25, 1937

Liverpool prices were lower this morning, the close showing a decline of 3/4 to 1 1/4¢ per bu. This was probably the result of our lte reaction yesterday, and also the decline in Argentine prices, where i had been reported by Broomhall that showers had fallen in parts of te Entre Rios and a section of western Cordoba. It is probably a fact tat the recent moisture has been insufficient, but we do not want to frget that it is still very early in the season; this will correspond t the end of February for our crops, which shows that there is plenty d time yet to get the needed precipitation. Actually it is claimed te only real bad zone is in northern Cordoba where the grain acreage i estimated to be about 30 per cent below 1936, but in the remainder o the zone there are claims that the acreage is running above last yar and that the seed has germinated. This being the case one must lok toward other incentives for the time being.

The overnight demand from abroad was extremely light, only a few prcels of American wheat had been worked, and these, in our opinion, a not too satisfactory a price. Our market opened rather steady considering advices from abroad, and we attribute this to the likelihood c a better milling demand overnight, as first prices in Minneapolis wre also a good deal firmer, and we presume that some bakers who were rluctant in making purchases at the higher level find the present pices a good deal more attractive. In our opinion, the domestic emand should be a sustaining influence from time to time, and we are repared for a consumption this year of possibly 675 million bu, making a little larger allowance because of the fact that a good deal of he wheat is low in test weight. However, the amount over and above ome requirements is sufficiently large to give us worries from time o time unless we find a better export outlet. This in our opinion i coming about so slowly that it makes it difficult to have sustaind advances, particularly at a time when September liquidation is still n important feature.

Receipts in the Southwest are becoming very much smaller; today or instance at Fort Worth, Enid, Salina, Hutchinson and Wichita, there ere only 57 cars received as compared with 90 cars a year ago. However, we have a different situation in the Northwest, as Minneapolis nd Duluth together had a total of 613 cars of wheat today against only 2 last year. For that reason primary receipts at the moment are running almost four times as large as they were in 1936. They amounted oday to 1,627,000 bu, which is practically the same as they were last eek, but compares with only 484,000 the previous year. So far this eek there is an increase in stocks at Kansas City, Duluth and Minneapolis of 2,421,000 bu; it should be noted that almost the entire increase took place in the Northwest, but we are afraid that for another ew weeks, at least, we will have to contend with the same type of ressure.

As far as Canada is concerned, country marketings are running a ood deal less than they were at this time a year ago, which is only easonable in view of the fact that this year's crop is one of the orst in the past 20 years. Farmers' marketings today were 1,519,000 u vs. 3,202,000 bu in 1936. Total stocks in Canada, not counting the mount held by farmers or in transit, is slightly less than 28 million bu, or about 82 million bu less than for the corresponding period ast year. There can never be any very severe pressure up there, although at the moment the export demand is also quite indifferent; herefore, a few hedges seem to have more than the normal effect. ince August 1 world shipments to Europe have been 6 million bu smaller, and to ex-European nations 3 million bu less than a year ago. Just t this writing harvesting weather both in England and on the Continent seems to be extremely favorable; therefore together with what upplies are available from Russia, the Danube, etc., there seems nothing at the moment to indicate more than a hand-to-mouth policy of laying in supplies.

As has been the case lately, best prices of the session did not btain and at the last there was not a great deal of change from the revious day, December wheat showing an advance of 3/8¢ per bu. It s quite apparent that new incentives are necessary if the market is o move much from its present base. Should there be unexpected rains t anytime in the Argentine we should not be surprised to see lower arkets.

(OVER)

Corn trade was not particularly active. The deferred months were just a shade lower, as it is generally conceded now that the recent rains have been beneficial and a good crop is in prospect. September corn advanced somewhat, with only 4 cars having been received here today.

Rye was very strong. There was a better commission house demand and offerings were extremely light. Oats hardly varied and there is not much feature to this market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 26, 1937

Closing prices at Liverpool showed advances ranging from 1 1/4 to 3/8¢ per bu. We believe that the upturn was due almost entirely to ews from the Argentine, where dry weather is still a factor. Broomhall gent cabled this morning that he calculated 1,700,000 acres of wheat in he provinces of Cordoba and Santa Fe have been lost due to the continue ack of adequate rainfall. Since these two provinces are important and enerally seed between 20 to 40 per cent of the total wheat area, the eport had also its effect upon American markets where higher prices uled almost from the start. Strangely enough there was no great appre-ension in the Buenos Aires market, their prices being affected very ittle and possibly since they are closer to the picture than we are hey feel that being so early in the season there is still ample time or moisture.

It is estimated that Argentine shipments this week will be ,029,000 bu compared with only 619,000 bu last year. India shipped thi eek very light, only 248,000 bu, and Black sea furnished 1,544,000 bu. ussia contributed a smaller amount than was indicated from earlier re-orts of export trade: namely, 456,000 bu. We believe that the situati ill have to be watched for the next few weeks, as likely there will be ore liberal shipments.

Perhaps another factor responsible for the strength today was the ccidental shooting of the British Minister to China, and this brought bout a lower securities market and higher grain prices. Winnipeg as-umed leadership, although the volume of export trade was not large, nly 300,000 bu having been claimed as worked. We still feel that while September liquidation is pending it is not yet safe to assume too ullish an attitude. The open interest in the nearby future declined nly 1,435,000 bu yesterday and there is still 35,731,000 bu open con-tracts, with only a few days to go before deliveries are possible. Thi open interest appears very large to us, being considerably in excess of the open interest in May wheat, and is almost half as large as the to-tal interest in the December contract, so that if holders are more agressive in either closing their contracts or changing to the more deferred months, it could easily change the present trend of the market

We continue to feel that carrying charges in the market will wi-den and although December and May wheat have shown a contrary trend during the last few sessions, this should be quickly corrected if the deliveries on September contracts are sufficient to satisfy present holders. A year ago at this time deferred months of wheat were all selling at discounts under the nearby futures, and the trade has become accustomed to inverse carrying charges, many of them feeling that if wheat were tendered they would find no difficulty in merchandising it satisfactorily. At the moment red wheat is selling cheaper in the East than here and Chicago is drawing on several outside markets for its sup plies; therefore we see a changed picture which should also call for a change in price parities between various trading months.

Primary receipts were again very large at 1,685,000 bu compared with only 548,000 bu last year. There were 717 cars of wheat at Minneapolis and Duluth today against only 68 cars in 1936. So far [illegible] this week stocks at Kansas City, Duluth and Minneapolis show a total increase of 3,290,000 bu. Country marketings in Canada are on the in-crease, and were 1,932,000 bu today versus 3,214,000 bu the previous year.

There was less buying in the pits today, which suggested the poss bility of smaller flour business, although we understand that recent sales, particularly in the Northwest, have been quite substantial.

At the last December wheat showed an advance of 1 1/4¢ per bu.

Corn was erratic, due to early strength in the September future; new-crop months were carried higher but failed to hold. Even the near by month lost most of its advance, with 18 cars estimated received in this market.

Rye at one time was extremely strong, recent reports of export business brought in a little more speculative buying, but realizing sales found the market poorly supported and at the end the market was weak.

Oats changed but little and much of the interest at the moment is in changing operations between various trading months.

UHLMANN GRAIN CO.

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 27, 1937.

Liverpool wheat cables were quite strong today, and closed 1 3/4
2 1/4¢ per bu higher on the various futures. They were, no doubt,
fluenced by firmer shippers' offers, although Broomhall reports that
e general demand was quite indifferent.
The weather in the Argentine still remains dry, which no doubt
d its influence. However, one must not lose sight of the fact that
mely rains can still be a big influence in shaping their crops. In
e meanwhile there have been some beneficial precipitation in
stralia, and conditions in that country must be satisfactory at the
ment.
As an offset to the lack of moisture in the Argentina is the
ontinued liquidation in the United States. The open interest in
eptember wheat decreased yesterday 2,185,000 bu, to a total of
3,546,000 bu, showing a decrease from a week ago of around 15 mil-
ion bu. This is bound to keep up for a while, as after today there
ill be only two more sessions before tenders of intention to deliver
an be made. In view of the poor demand for wheat at the moment,
t is rather difficult to imagine that there will be many holders of
eptember wheat who will be willing to take delivery and pay accru-
ng storage charges until such time as the actual wheat can be dis-
osed of.
Export business from this country is very light, and must be
xceptionally disappointing to those who had anticipated a good de-
and from abroad for our wheat.
While the movement of winter wheat in the Southwest has dropped
ff very considerably, stocks at Minneapolis and Duluth so far this
eek show an increase of 3,764,000 bu, while Kansas City has increased
nly 363,000 bu. The two former markets received 874 cars of wheat
oday. Primary receipts continue to be rather heavy, being 2,051,000
ushels versus 1,749,000 bushels a week ago, and only 663,000 bushels
year ago. With the increase in stocks in the Northwest we look
or a further addition to the visible supply on Monday morning. A
ear ago next Monday the visible supply increased 401,000 bushels,
nd reached its maximum for the season: namely, 78,445,000 bushels,
hile last Monday the visible already stood at 116,819,000 bushels,
r 38,374,000 bu more, with increases likely to continue.
According to a report issued today by the Department of Agri-
ulture economists, winter wheat growers from Illinois to Texas are
lanning their fall acreage, and seeding will soon be under way in
ull swing. While no forecasts are available as to the probable area
o be planted they state that if growers respond to prices now as
hey have in the past the acreage probably will be no less than it
as last fall when it reached the largest figure in the nation's
istory. If this prediction should materialize an entirely different
ituation might confront this country, as it is fair to assume that
anada after several sub-normal crops may again raise an average one
ext year.
It was reported from one source that Russia sold 300,000 bu
f wheat, and was offering additional quantities but millers were
olding off.
There seems to be very little indications of domestic flour
ales today, and think the business from this source was rather light.
Our market early responded to the strength in Liverpool and
innipeg, but did not maintain the advance which was no doubt partly
ue to the weakness in corn, and at the close December wheat was un-
hanged from last night. Minneapolis is apparently feeling the pres-
ure of their wheat movement, as at no time during the session did
hey follow the strength of other markets.
Corn was subject to rather severe pressure in both old and new
rop months; part of the decline may be attributed to sentiment among-
t locals that the corn movement would be very early this year. Un-
oubtedly corn was also influenced by a statement issued by the
ureau of Agricultural Economics forecasting a downward adjustment
n cash corn prices as the new crop is harvested. This will no doubt
e an incentive for the farmer to clean up whatever little cash corn
till remains in the country. With the decline in corn prices it
ow eliminates further fears of foreign importations; and we have been
old that stocks of Argentine corn in this country have been pretty
ell placed. We still believe corn will be a scarce article until
rrivals from the new crop.
There were very little fluctuations in oats and rye, and changes
or the day were nominal.

DAILY MARKET LETTER

MEMBERS:
CHK GO BOARD OF TRADE
EW Y K PRODUCE EXCHANGE
NEW RK COCOA EXCHANGE
YO . COFFEE AND SUGAR EX.
CON DDITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 28, 1937.

Broomhall cables that there were light scattered rains in the ro inces of Buenos Aires and Sante Fe, and moderate precipitation in oroba. This also was confirmed by other parties, but the way the es are worded we cannot conclude by any sort of imagination that e drought has been as yet relieved to any large extent. However, e weather prediction is rather favorable for more moisture. In equence, Liverpool cables were very weak, their futures declining . 1 7/8 to 2 3/8¢ per bu. The Argentine final crop will continue emain an uncertainty for some time, and opinions also differ very . as to the probable quantity of wheat which is likely to be ex-ed from Russia. Everything else about the Northern Hemisphere retty well known now. It is reported that a certain amount of sian wheat is being offered right along, but so far there has been thing to suggest that actual or prospective business will be on a y large scale. However, in the meantime the actual wheat export iness from North America is very light, and stocks continue to pile

So far this week there is an increase in stocks at Kansas City, ith and Minneapolis of 4,676,000 bu, which leads us to estimate an rease in the visible supply next Monday of possibly 7 million bu, ch would bring it close to 125 million bu. This is a rather large den to carry, particularly as primary receipts continue to be quite vy, even larger than last week, and way above what they were last r as follows: 2,024,000 bu today, 1,874,000 bu a week ago, and ,000 bu in 1936. Primary receipts for the whole week were 12,261,- bu compared with only 3,632,600 bu last season. The Southwest ement is getting very light, and we do not think this will change the balance of the crop, but for the present it is largely offset the heavy receipts in the Northwest. Southwestern points, Wichita, chinson, Salina, Fort Worth, and Enid received only 81 cars today pared with 115 last year; but Minneapolis and Duluth received 761 s against 64 same day a year ago.

We assume that world importations next Monday will show up ht, but somehow or other with European crops now being harvested, lers seem to be getting along with only fair purchases. There are y four months left until the Southern Hemisphere, even with moderate ps, will become a very important competitor.

In the meantime traders and speculators seem to have retained ir faith in higher prices, as evidenced by the fact that the open erest in September wheat declined only a little over 2 million bu sterday, and is still 31,473,000 bu, with only two more business days t this month before deliveries can be made. Evidently the present ers hesitate very much to part with their holdings. However, we ill expect there will be tremendous liquidation when it become plain- that there might be very fair-sized deliveries with a very poor spective outlet at the present time.

With little encouragement today in the way of domestic milling siness there was a fair-sized decline, the December wheat, the lead- future, closing 2 1/4¢ per bu lower than yesterday.

The trade is very much impressed with the most wonderful weath- we are having now for the best development of the corn plant, and very big crop is undoubtedly assured already. This caused continued essure on both December and May corn, bringing about further declines corn which still remains very scarce is suffering in sympathy. re were only three cars of corn received here today, and with the miums over September still existing it will be some time before e are likely to be any accumulations in elevators to fill September tracts. No. 2 yellow corn brought 5 1/2¢ premium. On account of th h premium the September corn is bringing over the December, a great y people anticipate a possible change. The open interest in Septem- gained yesterday 191,000 bu, and now amounts to 18,759,000 bu. Th le visible supply of corn is only 5 per cent of what it is in wheat the open interest in September corn is almost 60 per cent of that September wheat. This clearly shows that great confidence exists both sides --the longs in September corn feel there will be a rcity before the new crop comes on the market, and the others are vinced that finally there will be sufficient receipts here to re- ve the situation.

Oats continue to be neglected, but rye was lower in sympathy th its sister cereal, wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
N YORK COCOA EXCHANGE
EW ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

August 30, 1937.

After exchanging morning greetings, the first question every wheat trader or speculator asks now is, "Were there any rains in the rgentine?" This, because it is taken for granted that according to the amount of moisture which will be received it might easily make a difference of over 50 million bu in the final outturn of the rgentine wheat crop, and every excess bushel of wheat which is raised in that country is available for export. Such a quantity would make quite a difference in the world price level later on; and even in the meantime it cannot be ignored as a speculative factor. There were no rains to speak of in that country during the last 48 hours, and the ecipitation on Saturday was only very moderate, and could not by ny means be considered as giving adequate relief for the present. owever, it is threatening again, and there is still plenty of time o raise a wheat crop, provided weather conditions are favorable from his time forward, but the danger increases for a short crop unless he drought in many districts is relieved soon.

Liverpool cables continue to be weak, futures declining 1 1/4 to 1 3/8¢ per bu compared with Saturday; this was due mostly to the poor illing demand, to weakness in North America, and confidence on part f English milling interests that they will be able to obtain sufficient supplies to cover their needs in any case.

World shipments were somewhat larger than last week, but still ther small --7,822,000 bu compared with 8,748,000 bu a year ago. The otal for two months is only 59,254,000 bu, or over 12 million bu less han in 1936, and much below the weekly rate which will be required ccording to Broomhall's estimates. He still figures that all the mporting nations will have to buy about 495 million bu; so far the learances have been at the rate of about only 360 million bu. The ope exists that after the first home-grown wheat has been consumed broad, transactions from here for shipments abroad will be on a more xtensive scale. The contribution from North America seems to have uffered the most up to the present time. Clearances during the week ere only 2,851,000 bu versus 4,311,000 bu last season, and the total p to date from the United States and Canada combined is only a little ver 25 million bu against 41 million bu in 1936 similar period. It s estimated that out of this quantity the United States cleared, heat and flour, since July 1st only 6,165,000 bu. This would be at n annual rate of only 37 million bu. We figure, using government stimates, that with a crop of 890 million bu and a consumption of 675 illion bu we could spare 215 million bu, and still have the same amoun f wheat left for carryover as we had on July 1st.

Under these circumstances, despite the decline, we continue to eel rather bearish until there is a very much bigger export demand or United States wheat.

Fortunately we think with the wheat crop in the Pacific Northest, which is now coming on the market, and where yields were very ood, that Europe might be tempted to give same the preference over ther countries as it is cheap compared with many other kinds, and ught to find a good market both in England and on the Continent, as ell as in the East. This particularly so, as the amount of wheat on assage is very small --20,288,000 bu compared with 25,720,000 bu last ear, which does not cover more than two weeks' needs. This is bout the time of the year when Russia starts clearing wheat in larger olume if they have it to sell, and the next few weeks will give us ndications of whether Russia will really become an important factor s an exporter, and whether that competition will have to be severely eared or not.

The domestic situation is becoming more burdensome, with primary eceipts keeping up on a very large scale. They were today 2,441,000 u compared with only 703,000 last year, and only a trifle smaller

(O V E R)

than a week ago when they amounted to 2,609,000 bu. It is true, receipts in the Southwest are showing a big dropping-off, and there is very little chance that this will change at any time on this crop, as farmers must have already sold a tremendous quantity of what they raised. However, considering the advertised short crop in the sprin wheat territory receipts at Minneapolis and Duluth look tremendous. These two markets today received 1,413 cars against only 198 cars in 1936. As a consequence visible supply stocks continue to increase, the gain this week being 6,353,000 bu, and the total of 123,172,000 bu is almost 45 million bu larger than the previous season. At this period in 1936 we had reached the maximum amount of stocks in the visible supply, but it is our prediction that increases will continue for at least several weeks more, and may even keep up longer than that. Only a heavy export demand would change the situation.

The open interest in September wheat decreased Saturday 1,708,0 bu, but is still 29,765,000 bu, and tomorrow will be the first day when tenders on September contracts can be made. This shows great confidence on part of owners of September contracts, but we are afrai they will be disappointed because we look forward to very fair-sized deliveries --possibly 1 1/2 million bu. The quantity probably would be even larger were it not for the fact that the amount of contract wheat is comparatively small, but whatever there is, there is no immediate demand in sight to merchandise it. Those who had shipped wheat to Montreal to make room here find it difficult to make sales at a profit; therefore, it is just possible that the wheat after bei held sometime might have to be resold in the pit, and bring about wide carrying charges.

The undertone of the market was very weak during most of the session, but there was some reaction before the close, the final decline being 1/8¢ per bu for December wheat, the leading future.

The situation in corn seems quite different. The open interest in September is also very large --19,119,000 bu, and the total visible supply decreased this week 458,000 bu, now being reduced to 5,340,000 bu, or 1,046,000 bu more than in 1936. There seems to be very littl old corn left in this country amongst farmers; today's receipts were only 13 cars. There is a possibility that some new corn will arrive here in time for September contracts, but if so, we think it will be very late and only in small quantities because there will be an excellent demand for any corn from many points. We, ourselves, purchas on orders today 3 cars of Texas corn for quick shipment, at a price equal to about $1.03 in Kansas City, or 17¢ per bu over Kansas City September, and about the same amount over Chicago September if it were brought here.

Interest in oats is very light, with small fluctuations.

Rye held very steady considering the weakness in wheat, and we think rye is selling too cheap compared with that cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 31, 1937.

Last year at this time, the end of August, when the winter heat crops had been moving about two months or more and when the pring wheat crop was almost a total failure, primary receipts started o show a tremendous dropping off. They were never big afterwards nd for about ten months we had to contend with the very light movement and previously accumulated supplies. This year with the much arger yields it will be very different. It is even possible now hat the spring wheat crop might have been under-estimated; and while armers had been very liberal sellers there are still large quantities f wheat left in their hands and the contrast will be very great from ow on when comparing primary receipts with those of the previous season. Today the various markets received 2,085,000 bu compared with nly 413,000 bu in 1936. With the visible supply already so much arger than it was last season it is quite evident that the burden f stocks gradually may become very great.

However, there is another side to the picture which should not e overlooked. On August 31, 1936, December wheat closed at $1.08 1/4, r about 2 1/2¢ higher than today's price. Liverpool on the other and sold then at $1.07 3/8, is selling today at $1.24, or 16 5/8¢ er bu higher. There is a difference of over 19¢ between these two arkets, which ought to bring about more or less export business right long and take care of a good deal of the excess amount of wheat hich has to be handled.

The movement in the Southwest is very modest now and interior eceipts at Enid, Fort Worth, Wichita, Hutchinson and Salina were nly 56 cars today against 79 last year, but Minneapolis and Duluth eceived 569 cars versus 103 cars, and stocks at these two markets ontinue to pile up. Today, including Kansas City, the increase so ar this week amounted to 642,000 bu for these three points.

As the size of our export business depends to a large extent n the outcome of the crops in the Southern Hemisphere, much interest is shown in the weather there, particularly in the Argentine, where the wheat crop is suffering from drought. Australia seems to be getting along very well. It is quite remarkable the number of ables which are being sent daily from Buenos Aires reporting their weather conditions and the interest among grain men is almost as great as that of the sporting gentlemen when a good ball game or prize fight is in progress. It was difficult to come to any conclusion on the first cables, because some of them reported rains, others talked about threatening weather conditions, etc., but finally details were received as to the actual total amount of moisture and it seems in the various provinces there was only 0.04 to 0.12 inch reported. This we consider insignificant and, therefore, conclude that at least for the present the crop is still going backward. Nevertheless from the experience we just had with our winter and spring wheat crops when some of the pessimists almost made one believe that there would be a calamity, the final result turned out very favorably. This shows that the winter wheat plant is a very tough one, and can stand lots of mishaps, and good crops are sometimes raised even with much adverse weather.

Cables early were fairly strong before our session opened, but they lost gradually their gain, closing prices at Liverpool being practically unchanged compared with the day before.

(O V E R)

There is some export business going on all the time; much of it is not reported, and it is difficult to find out just what quantities are being sold daily, but we are convinced in the aggregate they are not large. They must increase considerably if we ever expect to reduce our supplies to such a point that the carryover at the end will not become too burdensome when another crop comes on the market. This particularly so, as the soil conditions in the Southwest are excellent; we look for a very large winter wheat acreage, possibly even greater than that planted in 1936, but certainly not any less.

There were tenders today on September contracts of about 1,135,000 bu, and we understand practically as much was re-delivered, thus clearly indicating that the wheat is not moving into consumptive channels. This caused a widening of the spread between September and December wheat, and will also have the tendency to widen the difference between December and May. If the carrying charge for three months is 2 1/4¢, there certainly should be considerably more than 3¢ difference between December and May wheat after close of navigation. We can easily see that it might go to 5¢ or more, as the actual storage charges for five months would be 7 1/2¢ per bu, not to figure insurance, and interest besides.

Fluctuations in corn were rather small. There is no great pressure at the present time, but everybody is cognizant that the crop prospects are very favorable, and that we might raise a very large crop, possibly even more than the last government figures would indicate.

Oats continue to remain neglected. Rye was reasonably firm, and we believe this cereal has some possibilities --the price is comparatively cheap compared with wheat, and some of the European nations will be in need of it, such as Germany and the Scandinavian countries. This year they will not be able to obtain much rye from Canada, which supplied many of the importing nations the past season.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
N YORK COCOA EXCHANGE
W ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 1, 1937.

There has been no fundamental change in the international wheat ituation overnight. Broomhall reported that the rainfall in the rgentine from last Saturday until yesterday was extremely small, but seems that since then they had better rains than for sometime. They re reporting actual precipitation in the various provinces from nothng to three-quarters of an inch. Naturally in a large country such s Argentina some points would be more favored than others; and we elieve that this will bring a slight relief, but anxiety will coninue about the final outcome of the wheat crop until harvest time.

In a general way we see no great over-supply of wheat anywhere xcept in the United States, but this may become sufficiently imortant so that we shall set the price for the world. No doubt nglish bakers share this opinion as they are not buying in advance, nd as England imports about 40 per cent of all the wheat cleared from he exporting countries she is the most important factor. At the presnt time English millers are extremely cautious about buying wheat nd are taking care of immediate needs only, owing to the modest deand for their product. Liverpool wheat cables closed 5/8¢ per bu igher and there is a fair difference between Liverpool December and urs --about 17 1/2¢--, although there must be a wider margin to ring about an extensive business.

Overnight it seems export transactions were again very light, ven for the Canadian grades and this variety of wheat is particularly eeded abroad for mixing with the Australian, Indian and Russian heats; so even if their price level should be considerably higher han ours they can count on a certain demand for special purposes. t therefore would seem that at least as far as Canada is concerned hey would have no trouble this year to dispose of their wheat crop. t the present time, as of August 27, Canadian wheat stocks were only 1,623,000 bu compared with 118,755,000 bu last year. This, of course, oes not include stocks in farmers' hand or wheat in transit. However, usiness to the United States from Canada for our domestic consumpion has practically ceased; we imported in this way only 3,000 bu ast week and so far this season 655,000 bu against our purchase of ast year amounting to 8,016,000 bu. Despite the small Canadian crop, armers' deliveries in westernCanada are now exceeding 2 million bu aily and for the week ended last Friday the total was almost 10 milion bu. However, the total for this season is less than 19 million u versus 41 million last year, and is a further confirmation of the small crop raised this year. So far since August 1, in one month, Europe got along with 7 million bu less importations and ex-Europe 4 million bu less, which is a great disappointment, particularly in view of the fact that their stocks carried over from previous seasons were about the smallest in recent periods. In the meantime world visible stocks are only 43 million bu less than they were last year, in spite of the great decrease in Canadian supplies, the United States practically making up 45 millionbu, and our supplies are likely to continue to accumulate for sometime.

The domestic situation, as mentioned before, seems to be the greatest hindrance for a healthy market advance. Primary receipts today were very large again, 1,845,000 bu versus 332,000 similar week last year, or between five or six times larger. They actually exceeded the heavy receipts of last week which amounted to 1,627,000 bu. This all regardless of the fact that the Southwest movement shows a great dropping off, as usual at this time of the year, but Minneapolis and Duluth received 625 cars against only 65 last year and until the spring wheat movement drops off very materially we look for continuous increases in the visible supply. So far this week Kansas City, Duluth and Minneapolis show already an increase of 2,470,000 bu.

(O V E R)

The open interest in September contracts decreased yesterday over 6 million bu and had been reduced last night to less than 21 million bu. Inasmuch as there were deliveries again today of 1,154,000 bu, we expect a further evening-up and as there are no signs of an urgent demand for the red wheat, which is delivered on contracts, we look for a still further widening of the difference between September and December wheat. Should this materialize sympathetically December and May wheat might also widen.

The wheat market was a little lower early but showed some improvement during the session. There was a report from London that the stock market was a little nervous on account of possible intervention on part of Russia in the Sino-Japanese war. At the close, however, the market showed renewed weakness, closing at a decline of 3/8¢ per bu compared with yesterday in December wheat, the most active future.

Fluctuations in the new-crop futures of corn were very small; there was strength early on continued bad reports coming from Nebraska, but these are far over-shadowed by the excellent prospects in other states, and we believe when the government report comes out the crop estimate will be larger than the last one. Corn receipts were 16 cars today. September corn was rather weak, evidently some liquidating sales took place.

Oats continue to be neglected, but rye was extremely strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
C AGO BOARD OF TRADE
NEW ORK PRODUCE EXCHANGE
NE YORK COCOA EXCHANGE
EW RK COFFEE AND SUGAR EX.
C MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 2, 1937.

Early wheat cables were quite weak today, and Liverpool futures gined only after both the Winnipeg and our market showed real firmnss. At their close they advanced 1 1/8 to 1 3/8¢ per bu compared wth yesterday. The strength was all due to news from North America, ad the great scarcity of ocean freights, as crop reports from both Astralia and Argentina were more favorable. A private cable by Boomhall reports further beneficial rains in eastern Australian states wth the outlook generally being quite good. There also had been more c less rains in the Argentine since early yesterday morning, but it is difficult from here to judge just how much relief has taken place. bwever an English authority considers that the wheat prospects are aite favorable there except in districts of Cordoba and Santa Fe, in vhich provinces about 1,700,000 acres have already been lost.

The private crop experts came out with their estimates today, nd their average figure on spring wheat is 195 million bu against he government report of a month ago of 202 million bu, or 7 million u less. It did not cause much comment, and we do not think it had great influence on the market. Confidence has been growing of late mong traders that inasmuch as September liquidation has taken place n a very heavy scale without depressing prices very much, possibly moderate upturn might have been in order. We think sentiment more han anything else brought about the advance today. The open interest n September wheat declined yesterday 3,206,000 bu, and has now been reduced to 17,711,000 bu. Today's deliveries were heavy again--98,000 bu, of which 458,000 bu were redelivered. As far as we know one of the wheat has yet been cancelled for shipment; therefore, it s likely to circulate for some time until it finds a resting place, nd in the meantime September wheat is likely to be for sale right long. Nevertheless, the difference between September and December heat narrowed a little, evidently hedgers and shorts also being nxious to even up their trades and preferring to have their engageents in the more-distant futures.

Argentina in spite of its small stocks continues to ship fair uantities, estimated clearances this week being 1,029,000 bu versus nly 806,000 bu a week ago. The Black sea reports shipments of ,544,000 bu, which includes 768,000 bu from southern Russia; as his is the period of the year when Russia usually starts shipping arger quantities whenever she has a surplus, we are inclined to elieve that Russian exports from now on will grow. Inasmuch as India and Australia, as well as North America, probably have shipped fair-sized quantities this week, we would not be surprised if total exports this week would finally be as much as last season corresponding time when they amounted to 8 million bu.

The stock market, which has been weak for a number of days, showed a further decline today; this might have the effect, on one side, of bringing speculators more into the wheat market; but on the other hand, as a general rule when great losses are sustained in speculations of any kind, it discourages traders who operate on an extensive scale, and the heaviest trading from the East usually comes when their markets and other commodities are all rising.

Judging from all reports the milling business at the present time is very satisfactory, both in the Northwest and in the Southwest, but is not anywhere near sufficient to take care of the still heavy farmers' movement --it will need a much increased export to do that.

Primary receipts today were 1,640,000 bu against only 318,000 bu the previous year, and only a trifle less than last week when they were 1,685,000 bu. Receipts in the Southwest are normal, but on any advance in price they might increase again because there is plenty of wheat left yet amongst farmers. In the spring wheat territory receipts are big --Minneapolis and Duluth receiving today 637 cars compared with only 43 last year. So far this week stocks at Kansas City, Duluth and Minneapolis show an increase of 3,171,000 bu, indicating another good-sized increase in the visible supply on Monday.

(O V E R)

The great strength in the Winnipeg market was very helpful to ours, as well as better prices for corn, oats and rye. At the close the leading future of wheat, December showed a gain of 1 3/4¢ per bu compared with yesterday.

Canadian farmers' marketings of wheat are quite heavy consideri the small crop, being 2,095,000 bu compared with 2,808,000 bu in 1936 Nevertheless it is well absorbed at a much higher level of prices tha ours, and no fear exists that the moderate surplus which was raised above home consumption cannot be taken care of, as some export business is being done right along, the qualtity being much in demand.

Receipts of corn, oats and rye are very small here; there seems to be no ~~pressure in~~ these cereals as far as hedges are concerned, and any pronounced buying lifts the market easily.

As far as corn is concerned, it might change later on, and the private crop experts confirm prospects for a very large crop, their estimate being 2,625,000,000 bu, which compares with the government estimate of 2,659,000,~~bu~~000 a month ago. Provided weather is favorable there ought to be a very good movement starting in December, and it is hardly likely with the reduced amount of animals that we can consume anywhere near such a quantity. Therefore, there is already agitation for a government loan price, and hopes that efforts in this direction will be successful caused some strength in both December and May corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 3, 1937.

With the late decline in both stocks and commodities, very little has been heard about inflation --in fact, in the minds of most people it has been put aside at the present time, as if this danger were no longer existent. Stocks traded on the New York Stock Exchange lost in value during the month of August alone $2,750,000,000. Cotton, wheat, corn, copper and many other raw materials are selling for considerably less than they did recently. On the face of it, of course, we should be in a deflationary period; and possibly we will be for sometime, because inflation is a disease which works very slowly and generally does not start until there is a "fear" complex. However, the causes which scared a great many farseeing people three years ago and which prompted them to believe that inflation finally was possible, even likely, have not been removed --in fact, they exist now to a more accentuated degree. Government debts are higher, taxes are greater and the budget is still unbalanced. Should poor business prevail for some time it might cause more unemployment, and is bound to affect our revenues while our heavy expenses would continue. Therefore, the result would be a more unfavorable budget balance with bigger liabilities on part of the Treasury.

The gold price has not changed so far because the United States is buying all the surplus. This is not done voluntarily, but as a matter of self-protection because they own so much already, and the inactive gold fund since the beginning of the year has grown to about $1,335,000,000 , and it is gaining almost steadily. This is all done on borrowed money, and of course cannot be continued forever. Some means must finally be found to use this gold, particularly if it should reach unexpected proportions. The July world production of gold was 3,151,000 fine ounces compared with 2,453,000 last year, both cases excluding Russia. The excess quantity is about equal to $25 million in value, or at the rate of $300 million a year. If the rate is continued for twelve months as in July, there would be a total annual gold production of $1,323,000,000, excluding Russia, which is also considerable. With a consumption estimated at only $200 million, with the greatest part of the excess production flowing to the United States as the only large buyer, we would finally be confronted with a very difficult problem to solve. Left alone, without any artificial world arrangements or stimulants, gold would decline in value, the loss on our holdings would be tremendous and could only be offset through inflation.

While this, of course might become important to the long-time investor or speculator, it will have no immediate effect on wheat values at the present time. We think the news as received today affecting world prices was rather bearish, particularly so as Reuter estimated the Australian acreage at 13,744,000 acres, with a forecast for this year's production of 175 million bu compared with about 150 million a year ago, or approximately 25 million bu more. This would offset a great deal of the possible shortage in Argentina. The Southern Hemisphere could, therefore, still supply very large quantities during the six months starting January 1st until July 1st, when we shall come on the market again with our new crop, and when Canada will soon follow. Out of a production in Australia of 175 million bu or more, about 55 million bu might be needed for human consumption and seed; so they could possibly ship 80 million bu up to July 1st, or at the rate of more than 3 million bu a week. Should this materialize the call for American wheats would not be very great. In the meantime, the actual export business overnight was very small both from Canada and the United States.

(OVER)

Primary receipts show the same tendency as heretofore, and we think this will continue for the balance of the year. There will be a gradual decrease from week to week, but at all times they will be larger than in 1936. Today's receipts were 1,602,000 bu versus 347,000 bu the previous year, but smaller than last week when they amounted to 2,051,000 bu. This is still due to the very heavy movement in the Northwest --Minneapolis and Duluth receiving 661 cars against only 41 similar period last season. Considering the size of the spring wheat crop we must assume that extraordinarily fine weather and the improved harvesting machines must have contributed a great deal to this early arrival of such large quantities at terminal points, but it will not likely keep up for a very long time. In the meantime, however, stocks continue to increase, Kansas City gained only 67,000 bu, and we assume we have seen about the maximum of stocks there. But Duluth and Minneapolis gained so far this week 3,683,000 bu, indicating a very large increase in the visible supply on Monday, while in 1936 at this time we had the first decrease of the season of 213,000 bu. It will be difficult to bring our stocks down rapidly unless the export business should gain considerably.

Trade was considerably lighter, fluctuations small, and at the close December wheat, the leading future, showed a loss of 3/8¢ per bu compared with yesterday.

Corn receipts were only 7 cars, but interest at the present time is very largely centered in the new crop. The outlook remains very excellent, with very little chance of frost doing any damage this year unless it should come exceptionally early.

Trade in oats and rye was very limited with the smallest fluctuations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 4, 1937.

Closing prices at Liverpool showed an advance ranging from 3/8 to 5/8¢ per bu, and this was occasioned by Broomhall's comment on a low condition of the crop in Victoria and New South Wales. However, there was more than an offset when partial to fairly good rains were reported in southern and western sections of Argentina, and, therefore, opening prices in our market which were somewhat higher, declined when a few realizing sales took place.

There was a slightly better export demand for Manitoba wheats, although no large quantities were reported and the demand for American hard winters is still very poor, although some believe that inability to secure freights at the Gulf might have some bearing upon the small volume which now prevails. A little attention was paid to a report from London claiming that the previous ideas of wheat exports from India might have to be lowered somewhat, although it had never been expected that this country would be a very large factor in contributing supplies during the current season for import requirements.

We believe the important feature now is still the outcome of Southern Hemisphere crops and those are being very closely watched; and as long as Europe remains unexcited the foreign buying will probably remain on a hand to mouth basis.

During the session Broomhall gave a detailed report of the actual precipitation in Argentine, and it showed that in the province of Buenos Aires, which is very important, best results obtained. Out of 8 reporting stations the smallest amount of rainfall was .16 of an inch, while in one place as much as .86 was registered. In other provinces a less favorable showing was made, although since the middle of August the relief was sufficiently large to encourage the belief that fair moisture relieved what might have otherwise become a critical situation.

The volume of our trade was not particularly large, and transactions apparently were on a smaller scale than yesterday, when total wheat transactions amounted to only 22 million bu. However, the total open interest is still in the neighborhood of 130 million bu, with the greatest part centered in the December contract. Liquidation in September, while continuing, has been very orderly, and the amount still left open is somewhat less than 13 million bu. We believe with the spreading operations which were apparent in the pit today that this has been further reduced, so the nearby delivery should not have much bearing upon the market from this time onward.

Primary receipts show a slight dropping-off from last week at 1,543,000 bu against 2,024,000 bu at that time. However compared with last year's receipts of only 321,000 bu they are still very large, due, of course, to the fact that the Northwest is still receiving a heavy volume from the country; today's carlot receipts up there amounted to 582 cars against only 30 cars in 1936. So far this week stocks at Kansas City, Duluth and Minneapolis show an increase of 4,286,000 bu, with Duluth and Minneapolis showing most of the gain. In the Southwest interior receipts are quite small now, and at Salina, Hutchinson, Wichita, Fort Worth, and Enid there were only 68 cars received today versus 86 cars the corresponding period of 1936.

At the close December wheat, which is the leading future, was unchanged. With the holiday here next Monday there was some inclination on part of traders to even up commitments.

Trade in corn was not particularly impressive; new-crop futures were firm in spite of the fact that some moisture had been received in parts of Nebraska, and more is looked for over wider areas. Yesterday, for instance, there was less than 5 million bu traded in for all of the various futures, with September corn still holding the center of interest, where the trade amounted to about 2 1/2 million bu

Rye was somewhat lower, but was more or less neglected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 7, 1937

The wheat market was influenced entirely by war news, which affected Liverpool first and futures there advanced 3 to 3 1/8¢ per bu since Saturday.

Possible war danger at the present time exists not only in the Far East where Japan seems to ignore all normal international obligations and treaties, but also in the Mediterranean where shipping has become very unsafe on account of the torpedoing of many ships of neutral nations, something which in former years would undoubtedly have led to severe reprisals and a possible conflagration. At the present time, however, the desire for peace on part of the large democratic nations is so strong that a great deal of injustice is being overlooked and for the present nothing more than withdrawals of ambassadors is expected. This in itself, however, will cause more or less strain and anxiety. As a favorable itom we might mention that wars seldom are started in the fall, being too near the winter period when fighting becomes more difficult and is accomplished only with greater hardships. Even should a general war be avoided momentarily, nervousness will continue as long as there are so many conflicting differences among the great nations. With Spain actively engaged in a Civil war, many voices willbe heard until finally peace will be restored, and Germany and Italy, which have given so much assistance to the insurgent government, will probably claim great concessions which might antagonize the interests of France and England, and it will take great statemanship to finally settle everything peacefully.

As far as wheat is concerned, there is also the possibility that the present situation will induce various governments to lay in larger supplies, and it is claimed already that Germany had purchased large quantities of Rumanian wheat. There also was a rumor, which we thoroughly discredit, that Russia is refusing to ship her wheat through the Mediterranean to the Continent, all of which makes it very plain that contingencies might arise affecting wheat values, which cannot be foreseen at the moment. Outside of these fears the wheat news in itself today was very bearish. There were excellent rains in the Argentine, Australian crop estimates are quite favorable and the way it appears now the Southern Hemisphere is likely to be in a position to furnish very fair quantities for export after January, when her harvest comes on the market.

World wheat exports were again very small --6,647,000 bu compared with 8,063,000 bu last year; and the total quantity put afloat since July 1 is about 11 million bu smaller than in 1936. The contribution from North America (this includes wheat and flour from both the United States and Canada) was only 2,170,000 bu versus 3,937,000 bu last year, and the total up to date for a little over two months was 18 million bu less than in 1936. At this rate it is difficult to see how the United States will be able to rid herself of the excessive supplies above domestic consumption. This particularly so if it should turn out that we might count on any kind of normalcy, and that there will be no political disturbances. Russia has sold again large quantities over the holiday and she has to be figured as an active exporter, the way it appears at the present time, during the next few months anyway.

Primary receipts of wheat continue to be large and for two weekdays they amounted to 2,985,000 bu against 2,085,000 bu for one day last week and 690,000 bu for one day last year. The heavy movement in the spring wheat territory continues and Minneapolis and Duluth received for two days, 1,517,cars compared with 68 last season. The visible supply showed another heavy increase for the week of 5,253,000 bu, and now amounts to 128,425,000 bu. A year ago there was a decrease of 213,000 bu, and the visible supply stocks are now 50 million bu larger than they were in a similar period in 1936.

There was considerably less pressure on September wheat today, although the open interest last Saturday was still 11,467,000 bu. The difference between it and December narrowed, but we consider it rather accidental as there seems to be no particular demand for the

(O V E R)

red wheat in store, and as far as we know none of it has been ordered out or shipped. There were again circulating today 381,000 bu, of which 23,000 bu were re-delivered and it evidently has not been definitely placed yet with consumers.

At the close the market showed an advance of 3¢ per bu for December wheat, the leading future, compared with Saturday.

Moderate showers to heavy rains since Saturday occurred over the entire Northwest, Central West and Southwest, being particularly heavy over the Texas panhandle and Oklahoma. This ought to put the soil in wonderful condition in the Southwest and under the circumstances a very large acreage the coming year must be anticipated. This may have no immediate effect on sentiment at the present time but might become very important later on.

New-crop futures of corn also were higher, mostly in sympathy with wheat and the political situation. September corn was comparatively the strongest, and the visible supply shows another decrease of 1,010,000 bu and is now about 4,330,000 bu. This is rather a small quantity, particularly where receipts in Chicago were only 11 cars, showing the almost total exhaustion of old corn. There seem to be a race between farmers who wish to ship the new corn as fast as possible to obtain the maximum price and the consumers who must have the cereal and are compelled to replenish their stocks.

Rains, particularly in the Texas panhandle might delay the movement of new corn to some extent and it still remains very doubtful whether much new corn can be brought here in time for September delivery.

The visible supply in oats showed a substantial increase, 3,575,000 bu but despite the much larger crop it is still almost 30 million bu smaller than last season, farmers evidently not being in the mood to accept the present low price.

Trade in rye continues to be small. The total volume of Saturday amounted to only 404,000 bu. However, ~~this~~ cereal also gain entirely in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 8, 1937.

Nothing very spectacular has happened overnight as far as the European political situation is concerned. However, many minor incidents are occurring daily; sufficiently so as to scare a great many capitalists, who by nature are inclined to be timid. The English cabinet met for 2 1/2 hours today, and is going to meet again this afternoon. Final decisions will be made as to their action in preventing further piracy in the Mediterranean. The chances are very much in favor of this difficulty being settled as it is paramount to the English commerce that this waterway should be used for her shipping without any fear or danger. This thought, which is quite general, restored some confidence. It does not settle everything by any means, as the Spanish civil war is still going on, as well as the Chinese-Japanese conflict. The way it looks Japan will not have such decisive victories in a short time, so one may not assume that an early peace between these two nations will be consummated. In the meantime great capital is being wasted in all these countries; at best, after the civil war in Spain is over that country will be impoverished regardless of who will win, Japan might also be in a bad financial condition such destruction of wealth as a rule affects the commerce of the whole world.

Liverpool cables before our session opened were rather firm and somewhat higher, and before their close there were further gains, futures finally advancing 1 3/4 to 2 1/8¢ per bu. We believe the strength must have been largely due to apprehension of what might happen, as the foreign wheat situation in itself is getting rather more bearish.

There were some excellent rains in south Australia, and it is reported that Russia had chartered 16 steamers since yesterday morning and is bidding for more. This, we would imagine, would be equal to about 3 million bu or more, but of course it may not all be wheat, and part of the cargoes may be filled with barley, rye or other cereals However it is a reminder that Russia might become a fairly large exporter during this season. Considering that the amount of wheat on passage is only a little over 20 million bu, and as the importing world depends so largely upon North America to furnish supplies for the immediate future, it is very strange that actual cash purchases from abroad during the last few days have not been on a very much larger scale. A war-scare market without heavy cash buying is something entirely new. Inasmuch as the speculative buying in this market is also comparatively small, it was difficult to maintain prices today, and the main future --December wheat-- closed 1/8¢ per bu lower than yesterday.

The open interest actually decreased yesterday, 471,000 bu to 129,645,000 bu. It is quite evident that a large amount of the visible supply, which is almost the same quantity as the open interest, had been hedged. Therefore, it is easy to see that on all bulges somebody will wish to liquidate; consequently, offerings are quite liberal at times. Primary receipts commence to show a considerable falling-off, but are still quite heavy, today being 1,339,000 bu compared with 1,845,000 bu last week, but only 335,000 bu last year. In the Southwest they are extremely light, and Kansas City, which had decreased its stocks somewhat last week, shows another decrease so far this week of 15,000 bu. Receipts at Wichita, Salina, Hutchinson, Enid, and Fort Worth are only 55 cars against 80 similar day a year ago. For the first time since the spring wheat crop started to move receipts at Minneapolis and Duluth also are quite light, being only 189 cars versus 97 in 1936. This caused great strength at times at Minneapolis. Winnipeg was also in a bullish mood, and this affected our prices very materially at times as it gave great encouragement to holders of futur

(O V E R)

The total Canadian visible supply, including bonded stocks in United States position, is a little less than 50 million bu compared with almost 148 million bu the previous year.

When we make comparison between this and last year there is one item that strikes us most forcibly: namely, that in 1936 there was a great dearth of all other cereals besides wheat, and everything whic could be used as a substitute sold at very high prices. The contrary seems to be the case this year, even including vegetables. Under these circumstances present prices, barring war and other unforeseen events, look plenty high enough.

There was again a very large trade in September corn, sharp advances taking place after it was known that there were only three cars received in this market, but top prices were not maintained. Th open interest yesterday declined only 107,000 bu, and still amounts to 18,261,000 bu. The new crop is getting along nicely, and we believe that after September trades are liquidated the price of Decembe and May corn will look rather high. There is bound to be a tremendou movement very early, weather permitting, as the crop is far advanced, and with the immense yields per acre in many places prices will be reasonably attractive to the farmer so that he will dispose of some of his surplus. This particularly so, as the amount of animals on feed is very limited. For the first time in a long while some old corn in larger quantities was sold to come to Chicago, bringing about 3¢ per bu over the current future. It was difficult to find out jus what the quantity was, but it must have been over 25,000 bu.

Oats held comparatively firm. Rye changed but little except the September future which was very strong.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N' YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 9, 1937.

The foreign political situation was less tense today. No new ggravative disturbances occurred to create fresh alarm. While much ha o be settled yet before we may look forward to solving of the many roblems, hopes still exist that in the main sanity will prevail. eneral opinion still tends to the belief that none of the major ations really desire a war, but as long as some of them try to obtain dvantages from any conflict which exists somewhere, the possibility f further war fears and possible conflicts have not been entirely emoved.

England, to whom everybody looks for inspiration as to the trend of events, was more hopeful today, and before any of our markets had opened their stock market, which is the clearest barometer, had advanced. Also wheat, which would be very much affected should shippin via the Mediterranean be interfered with, also closed lower at Liverpool, and more attention was being paid there to the actual wheat situation than to the political one. Cables at Liverpool finally closed 1 1/4 to 1 7/8¢ lower than yesterday. This despite the fact that freight space remains scarce with a rising tendency, and higher prices for ocean tonnage are being asked for later positions. It is claimed that the general merchandise movement is still very active, and shippers are more or less independent of grain cargoes.

The most impressive news overnight were the heavy Black sea shipments amounting to 2,824,000 bu, which include 1,680,000 bu from Russia. It is true they amounted to 3,552,000 bu last year, but then they came entirely from the Balkan countries. The fact that Russian shipments are the largest in over two years creates the belief that this might be only the beginning; her season is just starting and might continue for quite a while. Estimated shipments from Argentina this week are 919,000 bu. India cleared 456,000 bu, so the possibilities are very much more in favor of reasonable world shipments, as undoubtedly Australia and North America have not been inactive this week, while the European demand stimulated by the war scare was reasonably good.

The opinion is pretty nearly unanimous that recent rains were very beneficial in the northern part of Argentina, but yet, a bumper crop is out of all calculations as large areas in Cordoba and Sante Fe have already been abandoned, but a normal crop something like last year is still a possibility. We ourselves had a direct cable from Australia indicating a possible crop of 195 million bu, provided there will be good rains during the month of September. To us this estimate seems very high, but considering the small consumption in Australia, even after this figure would be cut by 20 or 30 million bu, it would still enable that country to ship during the twenty-six weeks from January to July very heavy quantities and would make the outlook for heavy exports from the United States very poor. Therefore, in order to make our situation reasonably sound, we would be compelled to sell all we can now before the new crop of the Southern Hemisphere comes in competition with us.

Our primary receipts are still very large, 1,541,000 bu compared with 1,640,000 bu last week and only 359,000 bu last year; but fortunately there is a decided dropping off in receipts in the spring wheat markets, and Minneapolis and Duluth received only 466 cars today compared with 637 last week and 23 last year. For the present the visible supply will still be increasing, and Kansas City, Duluth and Minneapolis so far this week show an increase of 2,438,000 bu. We have to go back to December, 1933, to find as large a visible supply as we had last Monday of approximately 128 million bu. In that year, however, there were heavy decreases starting September 29, when the visible supply had been almost 148 million bu. It is quite likely that after two or three weeks our visible also might start to shrink but this will only occur in large quantities provided there will be an increased export business. We assume that there is plenty of wheat back yet both among country elevators and farmers to supply the home demand without calling heavily on terminal stocks.

(O V E R)

The tendency of the market barring political events, we belie is downward for the present, pressure being too great and the trade not active enough to sustain values. At the close our leading future, December, showed a decline of 1/2¢ per bu compared with yesterday.

The corn crop is making satisfactory progress and promises to be an early one. We believe December and May corn will weaken once September corn is out of the way. Naturally the high price for same makes the farmer more reluctant to sell his new crop ahead; but when the time is right and when the new corn is in good shipping condition, no doubt there will be a free movement. The open interest in Septemb corn showed a very sharp decline yesterday of 1,844,000 bu, but there are still 16,417,000 bu as of last night to be liquidated or to be pai for in such amounts as willbe delivered. Receipts today were only 11 cars. As trading in September corn in the pit stops on the 27th, ther are only about 15 business days left to even-up on contracts. It appears to us as if shorts, unless they have corn in position for delivery, should try to arrange for their contracts, as with the small visible supply the situation is likely to be very tight before the en of the month.

There is great indifference shown in oats, the volume traded in yesterday was only 2,327,000 bu, and fluctuations today were again so small as not to encourage traders to assume much of a position.

The same refers more or less to rye, but this cereal acted independently weak.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept.10, 1937.

Those who are still actively engaged in the grain business, and ho have had the good fortune to attain a ripe old age, have seen the hole map of Africa changed during their lifetime. Historically peaking, it is only a short time since England marched into Egypt, cquired the Sudan and after the Boer war established the South frican Union. In the meantime, France increased her African possesions by adding Tunis and Morocco, and now Italy has obtained the last erritory previously unoccupied by Europeans --Ethiopia. Possibly imilar changes in Asia might take place before the eyes of the next ew generations. Japan's undeclared war now is only the first act n this drama, and nobody can tell what the outcome will be, not ven the Japanese themselves. All these changes were brought about ostly through wars, and at various times had great effects on comodity prices.

We all know how wheat advanced to over $3.00 during the last orld war. Even at the outbreak of the Spanish American War when t was feared that the Spanish Navy might interfere with our commerce, Europeans were supposed to have purchased here on the day war was declared 20 million bu of cash wheat and futures, bringing about a sharp advance in values. Therefore, everybody who is interested in wheat values watches first each morning the latest developments abroad, knowing that they will have an influence on prices outside of conditions which affect this cereal from a standpoint of present and future supply and demand. Therefore, when this morning the political situation was viewed with calmer eyes and when cables were rather indifferent and lower, it had its immediate effect here, causing repressions in the early trade.

Thereafter trade was extremely light early and we believe when figures are published tomorrow on today's volume of trade it will be found to be much smaller than it has been heretofore. However, even yesterday the total turnover in wheat in all futures was only 20,625,000 bu. Incentives for making new commitments are lacking at the present time.

Export business is very poor in both the United States and Canada, and in addition it is difficult to consummate sales on account of the scarcity of space and high ocean rates. Also in the meantime Russia has appeared as a large seller and her clearances this year are likely to be an important factor in the shaping of values before the season is over.

Liverpool wheat cables at the close showed a decline of 7/8¢ to 1¢ per bu.

Wheat shipments this week from Argentina, Australia, Black sea and India totaled 5,115,000 bu compared with 5,926,000 bu last year, and unless North America would have cleared considerably larger quantities than we assume she did, probably the importing world is getting along for another week with smaller takings than similar period last year.

For the first time this season primary receipts show a sharp falling off, being only a trifle over a million bu, to be exact, 1,052,000 bu against 1,602,000 bu last week but only 357,000 bu last year. The Southwest movement has been light for sometime and undoubtedly will continue that way for the balance of the season, unless sudden sharp rises bring out larger quantities from the country. Hutchinson, Wichita, Salina, Enid and Fort Worth received today 73 cars vs 62 cars last season. Minneapolis and Duluth had 457 cars against 661 last week, but only 28 received last year. So far stocks at Kansas City, Duluth and Minneapolis show an increase for the week of 2,828,000 bu, indicating another increase in the visible supply on Monday. This would compare with a decrease of 33,000 bu a year ago. We believe it will take several weeks more before we may look forward to decreases unless the export business increases in the meantime.

About the middle of the session the stock market again had some very sharp breaks. There was no particular intimation that it was due to a more complicated foreign situation, but possibly forced liquidation in stocks had its effect in bringing about wheat selling orders here, causing good declines. At the close the wheat market showed a net loss for the day of 1 3/4¢ per bu compared with yesterday.

Receipts of corn were larger than for sometime, being 26 cars; part of which were arrivals on sales previously made, but the balance which came on the market brought lower premiums, and #1 and #2 yellow corn sold at 3 1/2¢ over September, which is only moderately higher than would result from deliveries. If it were delivered on contract #2 yellow corn, under these circumstances, would bring 1/2¢ premium and it costs 1 1/4¢ to take it out of storage. This had a tendency to affect sentiment and shorts were less anxious to cover and moderat sales on part of longs brought about some recession. The open intere in September corn declined only 372,000 bu yesterday, and is now 16,045,000 bu. December and May corn were rather weak, and an early movement of new corn is in sight.

In view of the fact that the government report will come out this afternoon traders were rather cautious and the turnover correspondingly small.

Oats again acted in a very indifferent manner, except the cash article; consequently, September was quite strong, but other futures were neglected.

Rye closed lower in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 11, 1937.

There was nothing in the political situation overnight to cause renewed alarm. Russia was balking somewhat at the British-French proposal for a naval patrol in the Mediterranean, claiming that any such system would only give pirate submarines freedom to operate under the eyes of patrolling warships. Nevertheless, Russia is sending her own destroyers to protect her shipping interests and in these circumstances importers in England felt somewhat reassured of obtaining supplies. Closing prices showed a sharp decline at Liverpool of 2 1/8¢ to 2 3/8¢ per bu; and possibly other contributing factors had a great deal to do with the weakness.

Broomhall claimed that some traders were of the belief that Argentina and Australia might produce more than 390 million bu of wheat this season, which if borne out by fact would mean a combined surplus for export of about 240 million bu. Furthermore, there was a rumor that Italy was considering the admixture of 10 per cent corn in wheat flour, which shows that stringent measures are adopted by countries suffering under economic stress. Sometime ago we pointed out in our market letters how Germany had commandeered the supply of wheat and rye in order to insure sufficient food for human consumption, preferring to import corn for animal use in place of rye, which is often used for that purpose.

We feel that a great many people in their calculations have been too insistent upon figuring the amounts of wheat that were raised this year and were available for export, instead of trying to conclude the small amounts with which Europe would be satisfied, owing to the necessity for curbing consumptive needs.

The fact that the securities market opened rather buoyant lent belief also to the fact that war news was at least not an immediate factor and liquidating orders at our opening sent prices considerably lower, with December wheat at one time showing a decline of nearly 4¢ per bu. There had been government reports issued late yesterday both by our government and by Canada. The U. S. report showed a slight shrinkage from last month's figure but not enough to be a market factor. Likewise, the statement from Ottawa while indicating a total wheat crop of about 188 million bu for all of Canada, was not sufficiently larger to really be a market factor, particularly as this year's crop is the smallest in many years and compares with last year's crop of 229 million bu, which was also a failure crop.

Receipts in the Southwest are assuming small proportions, and today, for instance, at Enid, Wichita, Hutchinson, Salina and Fort Worth there were only 96 cars compared with 93 cars a year ago. Stocks at Kansas City so far this week show a decrease of 420,000 bu, but taking this market together with Duluth and Minneapolis there was a net increase of nearly 3 million bu for the three points.

Primary receipts today were larger than last week at 1,555,000 bu compared with only 512,000 last year. There were 600 cars of wheat at Minneapolis and Duluth against only 26 cars for the corresponding day in 1936.

At the close some recovery was noted from the extreme point after the season's lows were established, and December wheat declined 2 3/4¢ per bu since yesterday.

Corn was little influenced by the government report showing a reduction of about 110 million bu in prospect since August. With the smaller number of animals on feed, sentiment was not particularly bullish, although new-crop futures held quite steady, possibly influenced by talk that a loan value is being considered by the government. This, in our opinion, will not change ultimate values, because even in cotton where a 9¢ loan value has been adopted, today's prices were about the worst of the season, closing almost at the absolute low. An article once it is raised must finally go into consumption, and the demand then sets the price. September corn was quite weak; there were 36 cars here today, but the open interest is still very large, and, therefore, evening up orders one way or the other send prices up and down rather sharply.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 13, 1937.

The chief event overnight affecting finance, and therefore everything else connected with it, was the decision on part of the administration to "desterilize" $300 million inactive gold. Late last December the Treasury adopted as its policy the continuation of gold buying from whatever source it was offered at $35.00 per ounce, but instead of having notes issued against this gold it was decided to keep it in an inactive account, thereby preventing inflation. Consequently, if last December this additional buying of gold on the old system meant inflation, it will, and should have, the same effect now to the extent that it is used. The stock traders so construed it and the opening of those markets created greater confidence and prices ruled higher. This, however, did not last very long, showing that general discouragement at the moment is very great and that it will take more stimulants to create new confidence. The chances are that since inflationary measures have started, they might continue as needed.

This feeling at our opening was also reflected in grain prices, which were higher earlier, but when stocks commenced to tumble again, liquidation took place on a larger scale, with considerable recession in prices. The financial situation took precedence over everything else and very little was heard about the foreign situation and fears of a war, nor was there any great attention being paid to the statistical situation.

Liverpool cables closed 1/4 to 1/2¢ per bu lower than on Saturday, and the foreign demand remains very indifferent. There were no further rains in the Argentine, at least as far as we heard, but prospects are now for a fair-sized exportable surplus in the Southern Hemisphere as soon as their wheat crops come on the market after January.

In the meantime there also appears to be no scarcity whatsoever, as the world seems to be getting along with very moderate quantities, world shipments this week being only 7,460,000 bu compared with 11,059,000 bu in 1936. So far this season world exports have been 13 million bu less than a year ago. North America in particular is suffering from this decreased demand, clearances this week being 2,015,000 bu versus 4,677,000 bu a year ago, and approximately 20 million bu less since July 1st. If this tendency continues, the great shortage in the Canadian crop might not be very severely felt. Exports for the month of August from Canada were only 7,256,000 bu, while they were 23 million bu last year, and 23 1/2 million bu in 1935.

Primary receipts continue to be quite large --2,071,000 bu. No comparison can be made with last week when there was a holiday, but they were only 478,000 bu the previous season. Minneapolis and Duluth received 776 cars against only 69 last year, but the movement in the Southwest continues to be light; as a matter of fact, a number of terminal points are already starting to show decreases in their stocks. The visible supply increased 1,580,000 bu, having now reached the 130 million bu mark, and almost 52 million bu larger than in 1936. Chicago stocks are practically holding their own, having decreased only 75,000 bu, and are now considerably larger than last year at 15,970,000 bu.

The milling demand at present is very indifferent, and with no great inducement to make new engagements, the chief wheat future -- December-- at the close showed a decline of 2¢ per bu, although recovered somewhat from the lowest point.

Corn receipts are larger today than for some time, being 80 cars, which was rather unexpected, and had a bearish effect on September corn. However, the visible supply decreased again 611,000 bu, now being only 3,719,000 bu, or practically the same as a year ago when it was 3,832,000 bu. Considering that the open interest in September corn decreased on Saturday only 202,000 bu, and is still 15,749,000 bu, it is not likely during the next two weeks, after which time trading in September corn stops, that receipts will become very burdensome.

Oats and rye declined in sympathy with wheat.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 14, 1937

There was belated recognition today that the desterlization of $300 million of inactive gold might lead to further measures which would be construed as inflationary. As a matter of fact among students of economics the danger of inflation has never been quite dissipated. An unbalanced budget for many consecutive years, and still continuing, is a step in this direction. Also the continued large inflow of gold to this country would in time be likely to have the same effect: namely, lower rates of interest, increases in banking funds, and finally raise all values compared to gold.

Since last December our gold reserves increased about $1,400 million. The total gold production all over the world is still increasing, and easily exceeds by $1 billion all commercial requirements. The excess accumulation is practically all coming to this country, and will probably continue to do so as long as we pay $35.00 per ounce for same.

There also is minor inflation going on all the time in the way of silver purchases. Owing to the fancy prices paid for same silver production all over the world is increasing at a fast rate, and for the first half of this year the production is about 133 million fine ounces compared with only 122 million for the same period last year; total production this year might reach the previous high record.

Such thoughts created a much more confident feeling as to prices in both stocks and commodities, and on account of improved general sentiment in all probability wheat would have advanced some today even had it not been for the extremely strong cables. Liverpool futures advanced from 2 1/8 to 2 7/8¢ per bu, which was a great gain considering that North American markets had declined considerably yesterday. The reason for the strength today was not as impressive as on many other occasions because it was stated that the gain was partly or largely due to continued rising freight rates. Of course, while this is ver bullish on wheat abroad, it is not equally so in the exporting countrie where the higher freight rates have to be paid.

War scares have diminished greatly, and the consensus is now that there is no general European conflict in sight this year; so it is not likely we shall have much help in advancing prices on account of war scares.

The strength abroad led to a great deal of export buying here, but again it was mostly confined to Manitoba wheats, despite the very much higher prices which have to be paid for same. Evidently the quality of this Canadian wheat is very much liked. The most bearish item to the trade today was a report that according to Broomhall the segregation of North American wheat shipments since July 1 to September 11 shows the United States furnished only 7,673,000 bu. Taking the United States government figures as to the size of this year's crop of 885 million bu, and assuming roughly a consumption for all purposes of 685 million bu, would leave 200 million bu for export. In former years when the United States was a regular exporter, it was pretty safe to assume that she would clear about 50 per cent of her yearly exports during the first five months, and the balance during the remaining seven months. The demand always was greater during the earlier period, because later on the competition from the Southern Hemisphere was felt. There is, of course, no rule that this always must be the case, but common sense would lead us to believe that this year our best chances for exports are during the first six months before Australia and Argentina bring their crops to market. As a matter of fact, Argentina's new crop futures are already selling at such discounts under American wheat that if this were the 1st of January we could not dream of selling in competition with same. Even taking a very optimistic view and assuming that the present rate of exports would be kept up during twelve months, we would not export more than 50 million bu of wheat; or if we make liberal allowances for possible unforeseen events, 70 or 80 million bu from the present outlook would be a big business.

(OVER)

This would then leave us ~~on~~ next July with at least 120 million bu mor wheat on hand than the past season, and this added to the carryover of about 90 million bu would give us 210 million bu of wheat. This would mean very low prices at the end of the crop season, always provided, of course, that next year's outlook would not be very unfavorable. While it is very early to think about next year's wheat crop, there are two items which are very important to the final yields, and of whi we have some knowledge already. The farmer undoubtedly intends to plant a very large acreage, having been well satisfied with this year' results, and not being compelled to restrict his acreage. Furthermore soil conditions in the Southwest are excellent. For instance, the Oklahoma Grain and Feed Dealers' Association put out the information that from June 5 to September 14 last year there was .31 inch of rainfall, and this season there were about 3 inches during August, and so far approximately as much in September.

With a visible supply of 130 million bu, a large share of which is hedged, our experience has been that there is always some wheat for sale on advances, and today was no exception. Therefore extreme price could not be held, and at the close the leading future--December--showed a gain of 2 1/8¢ per bu compared with yesterday.

Primary receipts show considerable falling off today, being 1,209,000 bu against 2,985,000 bu last week, which, however, followed a holiday and therefore caused an extra accumulation; a year ago they were 270,000 bu. So far this week stocks at Kansas City, Duluth and Minneapolis show an increase of 761,000 bu.

Corn, oats and rye all profited from the strength in the sister cereal and showed moderate advances.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 15, 1937.

The whole world is in such a turmoil at the present time that almost daily some new features present themselves, of which the financial world must take cognizance. The political situation everywhere naturally affects the financial one, and this in turn is reflected in the values of all commodities. Just now fear of a general war has greatly subsided, but as nothing has been positively settled nobody can be sure of what the next day or month will bring forth. Today, for instance, a sharp decline in the French exchange caused new concern about the French financial situation, as a collapse there might affect the tripartite arrangement which, as the Secretary of Treasury tells us, is working on a twenty-four-hour basis. It had its effect today in lowering prices of American securities in London as well as a sympathetic effect on stock prices here early.

This also gave us a reasonably weak opening in the wheat market, despite strong cables. Liverpool prices finally showed an advance of 1/2 to 3/4¢ on the nearby future, while March, which is based more on the Argentine market, for new-crop futures, was unchanged. Part of the strength in the English markets was entirely due to very high ocean freight rates but this would not be so serious except that space even at advanced prices is so scarce and so difficult to obtain that quite a lot of business has to be abandoned on account of the inability to charter ocean steamers to carry the grain. This is something which few men in the grain trade have ever seen in peace times. In the past when freight rates were advanced any number of old boats, which had been lying idle because the business was not profitable, wereput in commission, and in due course of time the scarcity was relieved and an abundance created.

At the moment, however, it appears that shipbuilding had been at such a low rate for a number of years that it will take a long time until the supply can overtake the demand.

We are entirely convinced that had it not been for the shortage of freight room quite a large business in American wheats could have been consummated. Whether or not this will be made up later on or whether in the meantime the demand for cash wheat will be filled from other sources remains to be seen.

Broomhall still maintains that the importing nations will require about 496 million bu for the current season but believes that Australia will be able to ship 16 million bu more than he had expected and he feels that the United States will clear that much less.

Weather in Australia had been quite favorable of late and crop prospects in the Argentine had also improved, but now both countries claim again that they are in need of more rain and the quantities of moisture which they will receive during September and October will be a great determining factor as to the amount of wheat which will be raised in the Southern Hemisphere and how much will be available for export. It will be a big item in determining wheat values after the turn of the year.

Considering the latent demand for some of our wheat for export, and the further fact that the milling demand seems to be greatly improved, our wheat market made a rather poor showing today. Choice hard wheat is still bringing very good premiums, while the red wheat is more or less neglected, being comparatively abundant this year; and Europe also gives preference to the hard varieties.

The indifference on part of traders can only be explained by the fact that with a visible supply of 130 million bu the burden which has to be carried is quite great, and there is no immediate relief in sight although we must soon be approaching the period when we have seen the peak of accumulations, and when decreases will soon follow.

(OVER)

Primary receipts show another decrease compared with the previou week, and this tendency we believe will continue for some time. Today receipts were 1,138,000 bu versus 1,339,000 a week ago but only 300,000 bu the previous year. Northwestern receipts are quire modera Minneapolis and Duluth receiving 351 cars, but last year they had onl 38 cars. Kansas City so far this week shows another decrease of 228,000 bu, but at Duluth and Minneapolis stocks are still increasing and the net gain in these three markets amounts to 943,000 bu. We doubt very much whether there will be very much of an increase in the visible supply next Monday.

At the close our December wheat, the leading future, showed a decline of 5/8¢ per bu compared with yesterday.

There were some trades made today in July wheat, which is not yet officially quoted, at about 4¢ under May. We think this is a fa difference for the time of the year. If later on it should develop that we have too much wheat left for this season's demand, we can conceive that there might be a carrying charge to July. On the other hand, should crop prospects be very favorable traders might be more inclined to sell the July wheat on hopes of greater abundance next year, particularly as in 1938 Canada might also be a much stronger competitor should she have normal yields on her acreage.

Much attention is still being paid to September corn. The volu of trading in that future yesterday was 2,553,000 bu, exceeding the quantity traded in both May and December corn combined. The open interest yesterday declined only 214,000 bu, and is now 15,540,000 bu, with ten trading days left in the pit to wind up contracts, the last day for such transactions being Monday, September 27. Receipts are on the increase in this market-- 59 cars being available today, but all the arrivals are taken care of at premiums over the September future. It seems that both longs and shorts are very stubborn in liquidating their contracts. The longs feel that it will be sometim before the new crop will be available in large quantities, and the shorts look at the great difference in price between October and Dec ber corn compared with the September, and feel it is too big. October corn, however, advanced 4¢ per bu today, being the full limit pe missible in one day. Oats and rye showed very small fluctuations, a little interest is taken in these cereals at the moment.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 16, 1937

There had been advices late yesterday that rains were falling in south Argentina, and this was confirmed this morning, with other places also reporting relief, particularly in the provinces of Santa Fe and Entre Rios, and a little in Buenos Aires. However, Cordoba and Pampa were still dry, but advices from Australia continue to come very favorable; and this had created a buying lull amongst English millers where demand is now rather quiet.

Final quotations in Liverpool showed declines of about 2¢ per bu, and this weakness naturally had its effect over here.

With the visible supply now in the neighborhood of 130 million bu, and a good part of the wheat hedged here in Chicago, it means that those who are carrying the burden have very little profit in their commitments, as today all three futures of wheat registered new lows for the season again, which is somewhat discouraging to those who have been playing the bull side from $1.25 downward.

The volume of trade was not particularly heavy, being much the same as yesterday, with only about 21 million bu of wheat traded in. It seems right now there are fewer incentives to take a positive stand on either side, at least not until we are more assured of a reasonably favorable outcome of the wheat crops in the Southern Hemisphere.

We think there was some export business done again today from gulf ports, with freights obtainable; this might assume fair-sized proportions. This, of course, will become absolutely necessary as supplies which can be had from the Argentine are drying up; clearances this week were only 551,000 bu compared with 1,034,000 bu last year. Black sea shipments were much the same as a year ago-- 2,896,000 bu versus 2,872,000 bu in 1936, but this week's shipments include 1,280,000 bu of wheat shipped from south Russia. Inasmuch as the weekly requirements of all importing nations are supposed to be around 10 million bu a week, and with only Australia, North America and sundry countries to be heard from, it is quite evident that this week's clearances will be again below actual needs, and will possibly further reduce foreign stocks, as well as the amount on passage.

Primary receipts continue to be fair-- 1,111,000 bu against 1,541,000 bu a week ago, but only 337,000 bu in 1936. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 943,000 bu. Spring wheat receipts are not decreasing as fast as was assumed-- Minneapolis and Duluth receiving 518 cars, which is bigger than last week when 466 cars were received, but last year only 50 cars were received.

With the domestic milling demand also somewhat smaller new buying orders were rather scarce, and at the close our December wheat, the leading future, showed a decline of 1 1/8¢ per bu compared with yesterday.

There was a radical change in the old-crop corn situation. Great efforts are being made by holders to take advantage of the big premium which September corn is bringing over December and May by bringing to market all they can. It is variously estimated that 200 to 300,000 bu of corn may have been worked to this market today. There are only nine days left in which to trade in the pit, but actual deliveries can be made during the next twelve days. Nevertheless September corn was extremely strong, showing a further gain today of 4 1/2¢ per bu. This, however, did not affect new-crop futures-- December and May. It is recognized that while old corn may be scarce for a while yet, the new crop prospects are so excellent that the present scarcity will change to great abundance.

Oats and rye continue to play a very minor part among the cereals. Little interest is shown in them and fluctuations very small, mostly influenced by the other grains.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 17, 1937.

July imports of gold to this country amounted to $175,623,720, and during the month of August $105,013,011; therefore, almost as much as the $300 million which were desterilized. At the end of last month we were practically on the same basis as far as the inactive gold stocks are concerned as we were on June 30. If the gold inflow continues on a large scale, then, of course, in due course of time something else must be done to counteract its effects. Therefore, we may look forward for sometime to great uncertainties in the monetary situation, particularly with the unsettled French conditions and therefore commodities at times will be influenced by other considerations than supply and demand.

However, today there was a great deal of justification for the moderate advance in wheat prices which had taken place. Argentine wheat had advanced yesterday 2¢ a bu and again today 2¢, thereby lending credence to the belief that not everything is well with the crop and that the rains which were reported during the week were insufficient. The official Argentine weather report for the week ending on Tuesday shows that there was no moisture in either the northern or southern wheat territory. In the northern territory during the past seventeen weeks average rainfall was 2.4 inches against a normal during that period of 5 inches. This is the territory where a great deal of wheat has been abandoned and therefore the standing acreage might be less than last year, although originally more was sown and an increased acreage had been expected. Nevertheless, from past experience and the results from the United States show that we always knew to be a fact: that winter wheat is a very hardy plant, can stand a great deal of punishment and finally produce fair-sized yields. There is no reason yet to anticipate that the Southern Hemisphere may not have a very fair-sized exportable surplus, but for this it requires at least normal weather and much, of course, will depend upon the amount of rainfall during the next two months.

In the meantime their available stocks of old wheat are getting down to very small proportions. The estimated exportable surplus for Argentina is 10,423,000 bu compared with 17,437,000 bu a year ago, and we presume that Brazil alone would almost take all of it, or at least the largest share. Australia estimates its surplus at even less than that, 8,475,000 bu compared with 15,393,000 bu a year ago. It is quite evident that import requirements until January 1, which are estimated to be at least 10 million bu weekly, have to be largely covered from the Danubian provinces, including Russia and North America. This week, for instance, Argentina cleared only 561,000 bu, and Australia 611,000 bu, and from now on clearances no doubt will diminish rather than increase.

Under these circumstances a strengthening of markets abroad was quite natural, and Liverpool futures gained 1 1/2 to 2¢ per bu.

The United States is getting some benefits already from those conditions, and further exports from the gulf were reported at increased premiums. This, despite the fact that freight rates have also advanced. This is also being felt at interior markets where premiums, particularly for the hard wheat, are increasing steadily. It seems this particular kind of wheat is in much greater demand and easier to sell than red wheat, which seems to be comparatively plentiful and for which no urgent demand as yet has appeared.

It is possible, of course, that Broomhall overestimates the figures on prospective import requirements. Italy, he estimated to need 24 million bu, and Germany 32 million bu. With the better crop in Italy and the economies which are being practiced, she might possibly get along with less, and since Germany has commandeered her wheat and rye, which cannot be used for feeding purposes to animals, she may also get along with smaller supplies. However, all

(OVER)

the other countries probably will take their full quotas. The United Kingdom particularly imports year after year about 210 million bu --sometimes a little less, sometimes a little more, and so the estimate for 212 million bu is very reasonable.

Primary receipts were 1,061,000 bu, practically the same as last week when they amounted to 1,052,000 bu, but a big gain over a year ago when only 373,000 bu were received. Stocks at Kansas City show a decrease so far this week of 400,000 bu. While the country elevators in the Southwest are pretty well filled there is no tendenc to move the wheat at the present time. Minneapolis and Duluth show large increases again, and the total increase for these three markets for the week is 1,367,000 bu. We do not think there will be much of a change in the visible supply figures on Monday.

At the close the market showed a gain of 1 1/4¢ per bu for the leading future, December wheat, compared with yesterday.

A further strengthening influence on the market also was the advance in September corn and while corn and wheat really have very little to do with each other, as a general rule any change which occurs in one pit very often affects all the others sentimentally. As far as corn trade is concerned, the September future is still the most active month. The volume of trading yesterday was 5,219,000 bu while only 848,000 bu were tradedin May, and 2,193,000 bu in December. This makes it quite evident that as soon as the old contracts of September corn are out of the way, we may look forward to a quieter trading market in corn. This, in our opinion, is likely to mean lower prices for both December and May. While it is very early yet to look for a movement of new corn, the crop is very far advance and increased hedging sales will come on the market before long. With a large crop assured there is no great incentive on part of manufacturers or consumers to lay in large supplies and buy ahead for their prospective wants. We, therefore, feel that May corn could be sold with reasonable prospects for a profit. December corn, if the weather is favorable, might even be a better sale but with the exhaustion of stocks of old corn the consumers depend entirely upon the early arrivals of the new crop, and is, therefore, more of a risk.

Oats continue to be neglected, but rye keeps firm, and we believ is in a strong position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 18, 1937.

Initial prices in Liverpool were slightly lower influenced by Russian sales last night to both the United Kingdom and the Continent, and it was claimed that the business amounted to nearly 1,400,000 bu. However, British millers seem a little bit more active, and with trade slightly improved week-end covering took place, so that final prices showed an advance of 1 5/8¢ per bu. Early indications pointed to a fair Manitoba business, but the inquiry for United States hard winters is still rather indifferent. Until foreigners are larger buyers of our wheat it seems as though sustained upturns would probably be difficult to bring about. In any event, there was no particular pressure in our market, and at the opening there was an advance of 1/2¢ per bu, with trade rather light.

It is perfectly amazing with how little wheat Europe seems to be getting along, and we believe the world shipments on Monday will be very moderate. Just to show how they compare with other years at the same season, we point out that for the similar day in 1931 total world exports amounted to 19,200,000 bu; and in 1930, 18,200,000 bu. But of course times have changed greatly, and with restrictions in European countries such as are taking place in Italy and in Germany, the demand is of an entirely different character. United States exports for the week ended September 4th amounted to 403,000 bu, and from June 28th to September 4th they were only 7,176,000; this in spite of the fact that the Southern Hemisphere has so very little to contribute and no assurance that the Argentine crop will be a normal one, as many localities are still suffering from insufficient moisture. During the last few sessions the market at Buenos Aires has been very steady, and we believe that until further relief is at hand in the dry areas our market here is on debatable ground, although there is plenty of time yet for Argentine moisture to develop.

As far as our domestic agricultural situation is concerned, thought is being given now to a reversal of plans in Washington, because instead of having distinct relaxation of acreage, it is thought that next year the farm program may embrace crop limits, and possibly cut the wheat acreage by about 10 per cent. However, we think it is too early to become much concerned over this development, particularly if our carryover is sufficiently large and weather in the Southwest permits a normal seeding.

Just at the moment many areas in the winter wheat belt are complaining of drouth; while it is certainly not as serious as during the past few years there are large stretches where sub-soil conditions are very poor, although we admit that there is plenty of time to correct this situation. Probably the best section right now is in Oklahoma, and some improvement occurred overnight in parts of the Texas panhandle where rains were reported. However, from all we can hear there has not been a great deal of seeding there as farmers generally are waiting for rains. We further understand that where crops had been good this year the moisture conditions are better than in other parts. We just mention these facts now as they might become more of a market factor a little later on.

Winnipeg seems to maintain prices at a large premium over us, and farmers' wheat deliveries at country points, while still running close to 2 million bu daily, show a total since August 1st of only 41 million bu, as against 74 million for corresponding period last year. As Canada will not be an important factor this coming year, it is somewhat surprising in view of the great price differential that Manitobas are still so desirable abroad, showing that the preferential tariff in England and the fine quality of wheat is helping to promote business.

Primary receipts today were 1,192,000 bu compared with only 450,000 bu a year ago. So far this week stocks at Minneapolis, Duluth and Kansas City show a net increase of 1,310,000 bu; the Northwest is still increasing; but Kansas City for five days has decreased 545,000 bu.

Toward the last September corn, which had been a market leader for sometime, broke rather badly, and this we think caused liquidation in wheat as sympathetic effects were noted in various pits when corn reacted so sharply from yesterday's high point of $1.16 3/4. At the last December wheat showed a decline of 5/8¢ per bu. The deferred futures of corn were little affected by the sharp decline of the nearby one. We believe that weather during the next two weeks will be an important factor; prospects remain good, and should frosts be delayed for another week or two we think most of the corn will be pretty well out of danger.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 20, 1937.

Liverpool wheat futures declined today 2 to 2 1/4¢ per bu, and ad North America depends this season on a large export business to get rid of the excess supplies she has raised, amounting to possibly 175 to 200 million bu, this matter could not be ignored. The reason for the decline abroad was due to beneficial rains in the Argentine and South Australia, which immediately quieted the demand from the United Kingdom. Importing nations this year are depending very largely on the outcome of the Southern Hemisphere crops, otherwise they would be at the mercy of North America, as Canada with the poor crop she has raised this year will have very little to spare and the United States at the present time is the only country which has raised a great deal more than her consumption.

World shipments were very small again, amounting to 7,374,000 bu compared with 11,129,000 bu last year, and up to date importers have been able to get along with 18,398,000 bu less than in 1936. The greatest sufferer from this condition so far has been North America, where clearances last week were only 2,850,000 bu versus 4,701,000 bu last year, and up to date we have cleared so far 22,160,000 bu less than last season. Evidently there was no decline in shipments so far in other exporting countries, and unless this changes entirely all of North America would not ship as much wheat as she did last year, although then Canada had raised a large crop and was a liberal seller all during the twelve months.

At the moment there is some encouragement in the domestic situation, as there seems to be a fair demand by millers right along and premiums at all terminal markets are being well maintained. As proof of this condition, September wheat, which at one time was at a discount of 2¢ or more under December, gradually narrowed until today it gained sufficiently on the December so that finally the discount was reduced to only about 1/2¢ per bu. After the turn of the year our visible stocks will have to be reduced heavily, or otherwise a large quantity of wheat will have to be carried over into the next crop and this would not lend encouragement to the price. The amount on passage still remains at a very low point but has not decreased any more lately, being now 20,360,000 bu versus 20,144,000 last week and 27,688,000 bu last year. It is indicative, however, of the prevailing sentiment abroad, that there is no need yet to accumulate stocks. No doubt English merchants and millers feel quite sure that they will be able to obtain all the supplies they need and they may be still more encouraged now with the better prospects in the Argentine.

Primary receipts show a great falling-off, being 1,148,000 bu compared with 2,071,000 bu last week, although a year ago they were only 533,000 bu. Northwest receipts also show a big decrease, being 496 cars whereas the previous week they were 776 cars, but only 98 cars in 1936. The visible supply shows an increase of 1,005,000 bu, and is now 131,010,000 bu, or 53,970,000 bu larger than the year before.

While the market had opened lower in sympathy with foreign news, during the session great strength developed gradually, partly caused by the demand for the September wheat, and with no pressure whatsoever, hedging sales are very light just now. At the close the main future of wheat --December-- showed an advance of 1 1/4¢ per bu compared with Saturday.

The distant futures of corn were quite strong in spite of the fact that the crop is getting along nicely, and it must be attributed to short covering. The visible supply shows a decrease of 75,000 bu, but stocks at all points included in the visible supply statement are only 3,644,000 bu, which is 408,000 bu more than in 1936. There was quite an active trade at times in September corn, following the excitement last Saturday of a break of 8¢ per bu. Fluctuations were many, but not as violent as during the last session. The open interest is still very large, amounting to 16,942,000 bu, and decreased only 126,000 bu during the session on Saturday. After today there will be only six days left to even up contracts in the pit, although there will be three more days when cash deliveries can be made.

Bothoats and rye are gradually developing strength, but they also benefited today from the advance in the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 21, 1937

The chief news overnight was continued rains in the Argentine late yesterday, including the province of Cordoba, which had suffered the most on account of dryness, and which received 1 1/2 inches, while moderate rainfall was recorded in other provinces. It is very difficult at this distance to obtain an accurate picture of the Argentine crop prospect situation, yet from the various reports which we are receiving from time to time, we conclude that the outlook for that country (in fact for the whole Southern Hemisphere) is quite normal now. This opinion is also expressed in Liverpool grain futures; March wheat is selling there at 6¢ discount under December, indicating the trade is very hopeful that plentiful supplies can be had after the turn of the year.

Liverpool cables were quite strong, final prices showing an advance of 1 5/8 to 1 7/8¢ per bu. However, we always have to bear in mind that the ordinary parity between Liverpool and Chicago which would lead to a large export business has been changed insofar as ocean freight rates have risen to abnormal figures. The prevailing grain rate from New York to Antwerp is over 10¢ per bu; it would be as high as 13¢ per bu to Naples, and the rates would be much higher from gulf ports or from the Pacific coast. This situation from the exporters' point of view is particularly serious on the Pacific coast, as the trade to the Orient naturally has been hindered very much through the Sino-Japanese undeclared war. Tonnage is extremely scarce, and in spite of big crops very little selling has been done so far abroad. This might finally be a threat to very high prices here, because if our market should advance considerably some of this wheat might have to be shipped East or South, the same as last year. In fact, we understand a little is being worked right along to the Northwest at the present time.

Taking Liverpool's closing figure on December wheat, they are 25¢ per bu higher than we are, but their March wheat is only 16¢ per bu higher than our May, clearly indicating that our chances for doing a large export business will diminish after the next three months and anything we miss now may be gone for good.

It is quite extraordinary how small actual clearances from North America have been since the first of July, amounting to a little over 32 million bu. Assuming next Monday there will be 3 million bu added to this quantity, we shall have shipped only 35 million bu in three months, which would be at the rate of 140 million bu per annum. Assuming that Canada finally might ship from 60 to 80 million bu, the United States certainly would not be called upon to furnish a very large supply.

Primary receipts were also very big again, 1,268,000 bu; and larger than last week when they were 1,209,000 bu, but compare with only 331,000 bu a year ago. Minneapolis and Duluth received 586 cars versus 393 last week and 117 cars last year. Stocks so far this week at Kansas City, Duluth and Minneapolis show an increase of 648,000 bu. With a visible supply of over 131 million bu and a total open interest of 124,378,000 bu, one would imagine that a large part of the wheat is hedged, that there are very few shorts, and that there will be some wheat for sale at all times. Nevertheless, the demand during most of the session was heavier than the offerings, and at the close there was an advance in the leading future, December, of 3/4¢ per bu.

Primary receipts of corn today were 452,000 bu, of which 366,000 bu were received in Chicago, showing that practically all the corn which is moving now is coming to this city to be applied on September contracts. New receipts here today were 119 cars and about 100,000 bu were delivered on contract. The open interest last night was 10,642,000 bu and had decreased only 300,000 bu, which is very small, inasmuch as deliveries had been made the day before of 291,000 bu. Evidently both longs and shorts are still very stubborn. There are five days left yet to even up contracts in September corn in the pit, but deliveries can be made for three days afterwards, provided the corn can be obtained and shipped here in time for delivery. December and May corn gained on the previous day, the chief influence being the prediction of wet weather during the next forty-eight hours.

Oats and rye are keeping firm, receipts are light and they are in a strong statistical position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 22, 1937.

The Treasury's gold stocks increased to $12,660,000,000., the highest on record. Since July 1st, or in less than three months, the increase was $350 million, exceeding the amount which was recently desterilized. The most important thought for many traders in commodities must be what the long-time outcome will be of these accumulations. Little attention will be paid to this as long as we continue to pay $35 an ounce for all surplus gold coming to these shores. We are by far the largest buyer and should our policy be changed at anytime, of course, the price of gold would decline. This would affect the Treasury finances; also all international articles, the price of which is based on gold, would be affected, and later on also all home commodities. There is no certainty that this large influx will continue at the same rate as lately. Japan had contributed much to the heavy importations, being compelled to accumulate credit balances here on account of her war requirements, but every little while some new factors enter into the situation. The weakness of the French exchange affected the Belgian monetary situation, and gold shipments from the latter country to the United States have assumed much larger proportions than almost ever before. Fundamentally, it must not be forgotten that there is a tremendous gold production, consequently an excess of supplies compared with the demand and somebody will have to carry the load. Most European nations are not financially able to do so, and the burden for absorption seems to rest on us. Recently one steamer, the S/S Washington, had brought almost $17,500,000 in gold alone.

Our wheat market was less influenced today by exterior conditions. The stock market was very quiet and the political situation is calmer.

Liverpool wheat cables closed 1/2 to 5/8¢ per bu lower, being largely influenced by the drought relief in Argentina. The crop situation in the Southern Hemisphere is sufficiently improved now so that we may look forward to normal crops, or at least no great deficiency, assuring European importers ample supplies after the turn of the year. There are still some spots both in the Argentine and Australia which are suffering from drought, but the main sections have now received sufficient precipitation so that there is no cause for alarm regarding the final outcome.

Export business was almost nil today and as far as we could learn no sales have been made overnight, at least not for any sizable quantities, from either Canada or the United States. This continued absence on part of foreigners to buy United States wheat is causing a rather bearish feeling here among traders; but so far the market has acted in a very stubborn way. If the supply and demand situation works out the way we think, we believe that we shall have a very big carryover next July and this would mean lower prices.

Primary receipts of wheat today were very light, being 685,000 bu. We think this is the first day in a long while when receipts dropped off below the million-bushel mark, and past experience has taught us that whenever they drop below 500,000 bu, the outgo is sufficiently large so that reductions in visible stocks will take place. Today's receipts compare with 1,138,000 bu last week and 300,000 bu last year. Receipts at the two northwestern spring wheat points, Minneapolis and Duluth, were very light, only 231 cars compared with 351 last week. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 826,000 bu, but undoubtedly other points will start to show declines, and we should not be surprised to see the first decrease for a long time in the visible supply next Monday.

Trade was comparatively light, and at the close the main future, December, showed a decline of 1/8¢ per bu compared with yesterday.

The distant futures of corn continue to keep firm on the assumption that it will take some time before all the holes can be filled, as corn will be one of the scarcest articles in this country before the new crop commences to move. Fluctuations in September corn were quite considerable on a small volume of trading; evidently shorts are making greater efforts to cover their commitments. The open trades last night were 10,225,000 bu, decreasing 417,000 bu yesterday. Deliveries today were only 5,000 bu, but the movement to this market is increasing; Chicago received today 399,000 bu, of which 162,000 bu were Argentine corn brought here by lake.

Interest in oats and rye remains very limited. The volume of trading in oats yesterday was only 2,497,000 bu for all futures, and in rye only 723,000 bu. Both oats and rye are largely influenced by fluctuations in the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO September 23, 1937

Liverpool wheat futures closed at an advance of 1/4 to 3/4¢ per u. That market had been higher than that before our session opened, ut there was a recession afterwards. The chief explanation for the dvance abroad is the continued scarcity of ocean freights, compelling hippers to pay higher prices for space right along. Otherwise the heat news, if anything, was a little more bearish.

As mentioned many times before, the final price for wheat on this rop will depend very largely on the outcome of the crops in the outhern Hemisphere; and prospects there have greatly improved of late. s far as Argentina is concerned, the outlook is now quite favorable n the provinces of Buenos Aires and Entre Rios, with some exceptions n territories where there has been inadequate moisture. However, ecent rains have relieved the dryness in Cordoba and the Pampa. While bumper crop is out of the question, the chances are for very moderate ields, with a fair exportable surplus which will be available after he turn of the year.

It is too early to make estimates about the size of yields but the utlook in Australia, where the crop comes to maturity somewhat earlier, from present appearance of the plant an exportable surplus of 110 million bu is in sight. To obtain this result, of course, normal weather conditions will have to prevail from now on, and these figures might have to be raised or reduced according to the amount of moisture which will be received during the month of October.

There was amuch better export demand today, and it is figured that Canada may have sold between 800,000 to one million bu, with a fair business in hard winter wheats from the Gulf. Argentine shipments for this week are estimated to be only 367,000 bu, confirming previously expressed opinions that the surplus from the old crop must be exceedingly small. However, Russia came forward again with clearances of 1,416,000 bu and including this Black sea shipments this week totaled 2,872,000 bu versus 1,800,000 bu same week a year ago; India shipped 472,000 bu, and as Australia also no doubt put quite a little wheat afloat it will not require heavy clearances from North America to supply Europe with about the same quantity which she received similar day last year on Monday for the week, or about 8,125,000 bu.

There is a general lull in speculation all over the country. Ever since the decline in prices of stocks in Wall Street, as well as in most commodities, there is quite a reluctance to assume new engagements and great risks. Trade in general on the Board of Trade has declined in volume quite considerably; yesterday the volume of trading in wheat, corn, oats and rye amounted to only a little over 35 million bu. With a large visible supply which is mostly hedged it takes new buyers, in our opinion, to create any great bull movement unless in the meantime these hedges should be removed through sales to domestic mills or for export, and this kind of business also seems to be on a very moderate scale at the present time.

Primary receipts were again today much larger, being 1,140,000 bu, exceeding those of last week, when they amounted to 1,111,000 bu, and by way of comparison only 385,000 bu last year. Under these circumstances, stocks at various places are still increasing; at Kansas City, Duluth and Minneapolis so far this week they show a gain of 970,000 bu. Spring wheat receipts are quite moderate now-- Minneapolis and Duluth receiving 334 cars versus 518 cars last week and 58 a year ago.

Fluctuations were moderate today; although the close was almost at the high of the day, the leading future of wheat, December, showed a gain of 1 5/8¢ per bu compared with yesterday.

Much attention is concentrated on September corn contracts, as there are only three days left after today when contracts can be evened up in the pit, although there are three more days afterwards when deliveries can be made on corn received until the last day of the month.

Primary receipts of corn were 491,000 bu, of which 313,000 bu came to Chicago. The distant futures, December and May, were considerably higher, probably influenced by the high prices which are being paid for cash, or September, corn, but possibly later on with the large crop we have raised they might decline.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 24, 1937.

Wheat cables continue to show great firmness. Liverpool futures gained for the day 1 3/4 to 2 3/8¢ per bu over yesterday's close. Very strong ocean freight rates, which are still advancing, making it difficult for English and Continental millers to obtain supplies at reasonable prices had a great deal to do with it. In addition, there is no pressure whatsoever on part of exporting nations, and the territory from which large supplies can be obtained is very limited. There was again a good export business consummated from both Canada and the United States in hard winter wheats, but supplies from the Southern Hemisphere are dwindling rapidly. Out of 407,000 bu cleared from Argentina this week 391,000 bu were for non-European countries. Australia's exportable wheat surplus has been reduced to about 7,310,000 bu, which will have to last for three months until the new crop becomes available.

In spite of this our market never showed great strength, it lost considerably during the day, and at the close the December future was 1 3/8¢ per bu lower than the previous close. The great weakness in stocks in Wall Street, causing financial losses to a great many traders who are interested in stock values as well as commodities, may have had a great deal to do with it; at least, it caused a depressed feeling. Furthermore it is recognized that the whole situation might change as soon as new wheat crops are harvested in both Argentina and Australia, particularly so as weather conditions lately have been very favorable in the Southern Hemisphere. It is claimed that many of the dry sections in Australia had been visited with moisture, but further precipitation will be needed in New South Wales for the best filling results. There is a possibility that the exportable surplus the coming year will be bigger than for the present season. There is also great improvement in growth following the rains in Argentina, and weather there at the present time is seasonable.

Our primary receipts are still quite heavy, being today 1,125,000 bu, which is larger than last week when they were 1,061,000 bu, and compare with 545,000 bu last year. Spring wheat receipts are becoming lighter --Minneapolis and Duluth receiving only 251 cars against 347 a week ago and 86 last year. Stocks at Kansas City, Duluth and Minneapolis show an increase so far this week of 1,274,000 bu.

The corn market was rather weak, and the distant futures suffered in sympathy with the decline in the September corn. Receipts are estimated at 258 cars, or about 350,000 bushels, which was more than expected, as there are still five days left when deliveries in September corn can be made, but of course the last three days deliveries of new arrivals may be made on track.

Oats fluctuated but very little, and rye was weaker in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
:HICAGO BOARD OF TRADE
N / YORK PRODUCE EXCHANGE
:W YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 25, 1937.

Overnight export business was rather quiet, and Liverpool quota-ions were weak, declines ranging from 1 3/4 to 2¢ per bu. This, in pite of the fact that high ocean freight rates prevail, and make enders abroad more difficult except at higher prices. There was, owever, more of a tendency for foreign markets to be influenced by orth America yesterday; and the fact that shippers' offeringswere omewhat easier caused at least a buying pause, which was felt in xport circles. We expect on Monday that world shipments will again e quite light. The Southern Hemisphere has very little to put afloat ight now, and there can be no change in this situation until next anuary when another harvest there will make additional supplies avail-ble. It is said that Australian wheat is rapidly being put into onsumptive channels in the United Kingdom as fast as it arrives, and ractically all of the Argentine exports at the present time are estined for Brazil. Therefore before long Europe will undoubtedly be alled upon to take larger quantities from North America.

However, we have raised a large supply over and above home re-uirements, so that no great sacrifice is necessary to do this busi-ess. As a matter of fact, the time element must be considered be-ause we have a shorter period now in which we will have the field o ourselves and should the Southern Hemisphere come through later ith average crops they will undoubtedly take the initiative in doing resh business after the turn of the year.

Canada, of course, is a smaller factor, and on basis of the last rop estimate, they had at the beginning of the season available sup-lies, including carryover, about 225 million bu. Deducting from this uantity the amount generally used for home consumption of 105 mil-ion bu, it leaves only 120 million bu for export and carryover, com-ared with 251 million the year before. If we deduct net shipments f 13 million bu, which was the situation as of September 17th, there s only about 107 million bu remaining. Therefore, Canadian pressure ill not have to be dealt with as in ordinary years.

Primary receipts today made a fairly good showing as compared ith last week 1,139,000 bu and versus only 490,000 bu last year. The orthwestern movement has dropped off considerably, although inneapolis and Duluth today had 406 cars of wheat, while for the orresponding day in 1936 there were only 138 cars received. So far his week stocks at Kansas City, Duluth and Minneapolis show a net ncrease of 1,242,000 bu. It is likely that the net change in the isible supply on Monday will not be very great in either direction, and within a few weeks now decreases may be looked for as receipts in the Southwest are becoming very much lighter. Today for instance, at Wichita, Hutchinson, Salina, Fort Worth, and Enid there was a total of 78 cars, against 112 cars a year ago. In spite of this situation, the cash demand for wheat is not quite as good; at Kansas City, in some instances the basis was as much as 1¢ per bu lower.

At the last the December future of wheat showed a decline of 1/8¢ per bu. There had been a recovery from the low point of the day when shorts started to cover. The first transactions had been lower in sympathy with foreign weakness and general discouragement in sympathy with the stock market. It is true, securities were not much lower today, but recent declines have upset speculative enthusiasm, and it is generally felt that until capital is given more encouragement that even commodity prices are bound to suffer.

Trading in September corn was suspended by the Directors, and the emergency rule was invoked and a settlement price at $1.10 1/2 was fixed at which all open contracts were to be adjusted or settled by delivery. New corn futures were somewhat higher, but in our opinion the new crop is making good headway, and finally hedging pressure will change the situation. Of course, it will take time before cash corn and futures readjust.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 27, 1937.

The Liverpool market today was extremely strong, and futures there at the close had advanced 2 3/4 to 3¢ per bu. Broomhall gives as the chief reason for this change in prices the fact that Russia has withdrawn offers of the best quality wheat, although she continued to offer the lower grades. While this no doubt was a contributing factor, it alone could not, in our opinion, have brought about such sharp advances. The fact remains that with the high ocean freight rates it is impossible for Europe to obtain cheap wheat anywhere. From that point of view, Liverpool futures were too low compared with the cash markets.

World shipments this week were again quite light --8,813,000 bu versus 9,456,000 bu last year; so far this season since July 1, world shipments of wheat and flour were only 95,582,000 bu against 124,880,000 bu in 1936 same period. As three months have almost elapsed, this would be at the rate of considerably less than 400 million bu annually, and much below the estimated requirements. There can be only one conclusion drawn from this fact: that the demand from now on will have to be very much greater in order to supply the needs of the importing nations. This, particularly so, as the amount of wheat on passage hardly varies, and remains at a very low figure. The increase this week was very inconsequential, the total afloat now being 21,360,000 against 20,360,000 bu last week, but 29,232,000 bu in 1936. Clearances from North America for the week were only 3,009,000 bu compared with 3,420,000 same week the previous year. For the first three months North America shipped 35,386,000 bu of wheat and flour compared with 57,631,000 bu during the same period in 1936. We have not yet obtained the official figures of how much of these clearances came from the United States, but we do know that the largest share was shipped from Canada; therefore, leaving a comparatively small amount from this country.

Ocean freights continue to be extremely high. New York is generally about the cheapest port for shipments abroad; the freight from there to Rotterdam was quoted around 15¢ per bu, and from the Pacific coast as high as 27¢ per bu is being asked. This makes it very difficult at the present moment to handle Pacific coast wheat to good advantage, but as they have a large exportable surplus it will have to find a resting place at one time or another during the season.

There is a good outlook for more precipitation in the Argentine and naturally if the Southern Hemisphere crop should come through all right, the whole world wheat situation would change very materially. Plentiful supplies from both Argentina and Australia would cause more liberal offers. This is the reason why Liverpool March wheat continues to sell at a big discount under their December; the difference at the present time being about 5 1/2¢ per bu.

As far as the United States is concerned, there are no signs yet that we shall be able to get rid of sufficient quantities of wheat through home consumption and export combined to create a strong statistical situation in the end. Assuming that we raised this year about 175 million bu in excess of home consumption, the demand for our wheat will have to increase very considerably if we are to reduce this quantity to more normal proportions. We recognize that some export business takes place almost daily now, but not always in large volume.

(OVER)

Great economies are taking place abroad wherever it is possi It is expected that the Italian government very soon will order the mixing of corn-meal with bread flour.

The movement in the United States continues to be heavy, prim receipts today being 1,428,000 bu versus 1,148,000 bu last year, but only 774,000 bu a year ago. This prevents decreases in the visible supply on a large scale, such as we had last year; today's statement shows an increase of 41,000 bu compared with a decrease a year ago o 835,000 bu. Our visible supply is now 131,051,000 bu, or almost 55 million bu larger than it was a year ago. As a general rule this brings about good carrying charges, as somebody will have to carry these large amounts until there is a demand for it, but the contrary seems to be taking place at the present time, and our May future today was the weakest. This probably is partly due to the fact that September wheat most of the day was very strong. As a matter of fact open trades in December wheat are quite large, almost 85 million bu compared with only 38 million bu in the May future, showing that most purchases of late have been made in the December wheat. Therefore, there is bound to be heavy liquidation during the month of November, if not earlier, as very few people will be inclined to carry wheat after close of navigation and pay big storage charges unless the situation changes materially.

At the close of our session December wheat, the leading future, showed an advance of 2¢ per bu.

With September corn contracts out of the way trade in corn futures was very much lighter, and fluctuations comparatively small. Much will depend upon weather conditions and how soon the new corn can be brought to market.

Trade in oats and rye remains light, and fluctuations were largely in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 28, 1937.

The Bureau of Agricultural Economics at Washington gave some very interesting statistics on the world wheat situation on September 23rd. We believe that the trade in general will agree to the correctness of same, and, therefore, we would like to quote some of them in order to refresh everybody's memory.

They claim prospective world wheat supplies for the current year, beginning July 1st, excluding Soviet Russia and China, are now estimated to be about 60 million bu larger than the small supplies of 1936-37. While the carryovers were about 210 million bu less than last year, they are offset by a 270 million-bushel increase in the estimated world crop. China, of course, does not enter into calculations under present circumstances, but if Russia exports 30 to 40 million bu more wheat than a year ago supplies at the end of the year would be 90 to 100 million bu more than on July 1st,1937, unless consumption should be increased. It is also claimed that with a rather high prevailing wheat price level, together with the limited gold supply and financial and trade difficulties in many countries, any large reserve purchases by importing nations probably will be postponed as long as possible.

Should this be the case then the approximate 100 million bu extra wheat which might have to be carried over would remain in the United States, as we do not know of any other country which would be inclined to increase its carryover with prevailing prices. This checks with all our figures: namely, with our surplus raised above home consumption of 175 million bu, and with exports of close to 100 million bu, we would have 75 to 100 million bu more wheat on July 1, 1938, than we had this season. Therefore, for those who think ahead about the value of wheat after the turn of the year must base their calculations on a probable stock of wheat in the United States of close to 200 million bu. This all would be changed if the crops in the Southern Hemisphere would not turn out as expected at the present time.

From the latest advices, we may figure on almost normal yields for Australia and Argentina. Broomhall advises that conditions are satisfactory over most of the commonwealth, but there are still many important areas in South Wales which still need rain. In the Argentine the new crops have shown improvement in much of the country following the rains of last week, but there are also sections in the West and North where rainfall has afforded only little relief. It is a long time, however, until this wheat from the Southern Hemisphere can reach European consumers. Very little is shipped before January, and it is a long trip across the ocean. In consequence, European consumers are much concerned about their supplies during the next three months, and at the present time outside of North America and Rumania there are no big sellers. Russia will probably put some afloat every week, but so far the quantities offered have not been very pressing. This will give Canada and the United States a better opportunity to make sales, and we believe that the transactions for United States wheat which have taken place during the last two days were the heaviest so far this season.

It is claimed that between yesterday and today about 1 1/2 million bu of hard wheat were worked to Europe. This is at least 10 per cent as much as had been sold so far during practically the first three months. Would we expect that these large takings would continue, we would change our mind materially on the value of wheat, but we have seen these spurts of buying before when afterwards there were days and days when none was taken by Europe. In fact, Broomhall claims that at the advanced price there is some resistance felt already.

Liverpool cables closed quite strong, showing an advance of 1 3/8 to 2¢ per bu; the leading future, December, is selling about 27¢ per bu over Chicago. This great difference is due to high ocean freigh rates.

(O V E R)

The primary movement today was rather light, receipts being 816,000 bu compared with 1,268,000 bu last week, and 641,000 bu last year. Receipts at Minneapolis and Duluth were only 309 cars versus 586 last week. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 14,000 bu. With any further advance in prices we look for a largely increased movement from the country. Stocks of wheat at interior points in the Southwest are enormous. We were told yesterday that in Enid alone, a point which is not show in the visible supply stocks, including that owned by mills, amounte to about 11 million bu. We have in mind the experience of last year when the Southwest had an extremely poor crop and it was expected that from day to day receipts would drop off to minimum proportions, but as long as prices were tempting bins were swept, and there were fair receipts right along. With a much larger crop this year we do not believe that the movement will ever be very light; therefore, the decreases in the visible supply are likely to be very slow and gradual.

At the close the leading future --December-- showed a gain of 5/8¢ per bu compared with yesterday.

With September corn out of the way now, and with stocks of old corn almost exhausted, the trade will gradually have to readjust itself to a new condition. From an extreme scarcity we may enter into great plentifulness, as new-crop prospects still promise to be excellent. Hedging sales so far are very light, but will gradually increase depending upon the weather. The volume of trading in the meantime is very light, having been yesterday only 6,335,000 bu, and not very excessive today either. Fluctuations were rather light.

Nothing spectacular happened in either oats or rye, and it will take new incentives to bring about great changes in the price level of these cereals.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 29, 1937.

Liverpool's closing wheat prices today were lower than those of yesterday, and their futures declined 1/2 to 1¢ per bu. A weaker market was expected here, and in the early dealings there was a decline of about 3/4¢ per bu, but this was largely wiped out and gains were established chiefly in sympathy with the great strength at Winnipeg. In that market October wheat is bringing fancy prices, and Europe which seems to needsome of that kind of spring wheat regardless of prices has to pay accordingly. This Canadian wheat is very expensive, as high ocean freight costs also have to be added. No.1 Manitobas are quoted in the Liverpool market at $1.73 per bu; No.2 at $1.68 1/4; while #2 hard wheat was quoted at $1.37 1/2. These high prices for the near-by Canadian wheat may be shaded later on, as the more distant futures are selling at a discount; it is evident already that some of the demand is being diverted to other channels on account of price.

It is reported that Australia sold yesterday about 350,000 bu of wheat, Russia about 300,000 bu, and the United States possibly one million bu of wheat, half from gulf ports and the other half from the Pacific coast. There is little doubt in our mind that the export business during the last three days has been of quite considerable proportions, but how much the total business will amount to during the twelve months still remains an uncertainty. Much will change in another three months when the Southern Hemisphere starts with its clearances. Also it has to be considered that up to date the American wheat business was extremely small. From June 28th to September 18th, to be exact two months and twenty days, clearances were only 9,528,000 bu. The movement from the Pacific northwest has just about started now in large volume. As a guess we would say that they will furnish a large share of the total American requirements from now on. This will prevent the Pacific coast from shipping wheat to the East, Southwest and the Northwest as they did a year ago, and even some trifling lots had been worked this season. This condition may make the Southwestern markets, where only hard wheat can be delivered on contracts, very strong compared with Chicago where soft wheat is deliverable. It seems this season the demand is mostly for the hard varieties, which are already bringing big premiums.

There was no particular news about the crop development in the Southern Hemisphere, except emphasis is directed to the necessity of continuous moisture needs for the best result of the growing plant. There were no further rains reported in the Argentine, but weather is cloudy in the province of Buenos Aires.

Weather conditions are also being closely watched in our Southwest, as it has been dry for some time, and in many sections precipitation would be very desirable. Should we have sufficient rain in the Southwest, the size of the acreage will be largely affected; and also farmers would be more liberal sellers of the wheat they are holding back now, and part of which will not come on the market until the outlook for a fair crop is more nearly assured.

There are no complaints, however, about the primary receipts, same being 971,000 bu today compared with only 685,000 bu last week, and 401,000 bu last year. Duluth and Minneapolis receipts are becoming lighter --287 cars today versus 231 last week, and 150 last year. So far this week stocks at Kansas City, Duluth and Minneapolis show an increase of only 246,000 bu. As quite a good deal of wheat is bein shipped out of Chicago, we doubt whether we have not seen the last increase in the visible supply for this season, and possibly next Monday it may show somewhat of a slight decrease. There is nothing to indicate there will be a world's scarcity of wheat this year, although at the present time the world's visible supply is only 229,112,000 bu compared with 264,043,000 bu last year, or a decrease of 35,000,000 bu The chief decrease is in Canada where stocks are 84 million bu less than they had been similar period in 1936, but we think we may safely assume that the amount of wheat back in farmers' hands in the United States is much larger than the 35 million bu deficiency.

Trade was extremely light, and at the close the December wheat, the leading future, was 3/4¢ per bu higher.

Corn receipts are becoming smaller, and as the old stock is pretty nearly exhausted it is natural that we have to wait now for the new crop to start moving before we can look for heavy accumulations. Weather conditions continue to be very favorable. However, the pressure at present is still very small, and strength developed mostly in sympathy with wheat. Rye was similarly affected, and showed a moderate gain for the day. Oats continue to remain neglected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Sept. 30, 1937.

Liverpool wheat cables showed great strength again today, and their futures advanced 2 5/8 to 3¢ per bu. This is the fourth day in succession when traders were greeted in the morning with encouraging quotations from Liverpool. However, our markets have not followed to the full extent. One of the reasons was that part of the rise in prices abroad must be attributed to higher ocean freights, which naturally affect the importing countries more than the exporting ones. Furthermore, it is recognized that these higher prices enable foreign millers to obtain larger supplies; therefore, there might be a halt in this tendency, at least for a while. As a matter of fact, the Winnipeg market, particularly the October wheat, which had not only followed but sometimes led rising foreign quotations, was weak today for the first time; this in turn might influence foreign sentiment tomorrow with possible reactions. We would not be a bit surprised tomorrow to be confronted with weaker cables.

As evidence of how higher prices are bringing out more wheat, we observe that Black sea shipments this week were 3,056,000 bu compared with 3,000,000 last year; this in spite of the fact that Rumania has not yet reached the height of her clearances; but Russia contributed 1,768,000 bu of wheat compared with practically none a year ago. Also Argentine,despite her small stocks, cleared 992,000 bu against 407,000 bu last week, and 1,151,000 bu in 1936 when the visible supply was very much larger. There were also purchases again reported from the United States of possibly 700,000 bu. The present difference between Winnipeg and our prices, we think, justifies the view that from now on our percentage of the North American business will increase compared to Canada, unless they reduce their selling prices. This would be extremely important had we not already missed so much business during the first three important exporting months since July 1. Up to September 18th, the total clearances of wheat and flour amounted to only 8,804,000 bu; we believe this includes perhaps 1 1/2 million bu or so of American wheat shipped out of this country going to Montreal which has not yet actually been sold or cleared. We are very hopeful that during the next three months our export business will be on a very large scale. Even assuming during the next three months it would be double, triple, or quadruple of what it has been so far, the total would still only amount to about 50 million bu, with 175 million bu more raised than we consume, and we see only very moderate prospects for additional sales after January when the Southern Hemisphere comes into competition. Of course, should their crop not turn out satisfactorily, we would have the whip-hand, and our opinion on future prospective price levels would have to be changed.

Last week was almost rainless again in the Argentine, although it is drizzling now in the important province, Buenos Aires, The Australian crop prospects, if anything, have deteriorated some. Nevertheless it would not be wise to assume that anything like a crop failur is in sight, and prospects are still for a fair crop, although probably moderately less than the one last season.

In the meantime we have to deal with very large supplies in this country. With a visible supply of 131 million bu, and a large amount held in country elevators and at other points which are not reported, and a large share of which has been hedged, there is always a certain amount of wheat coming on the market. Not until we have seen a large reduction in these stocks are we on a sound foundation.

Primary receipts today were again large --1,032,000 bu against 1,140,000 bu last week, but only 393,000 bu a year ago. Spring wheat receipts are gradually dropping off; Minneapolis and Duluth reported today only 261 cars as being received versus 334 the week before, and 105 the previous year. Stocks at Minneapolis, Duluth and Kansas City so far this week show an increase of 257,000 bu; but we expect a large decrease this coming week in Chicago, as quite a few charters

(OVER)

have been made. We look forward to the first decrease in visible supply stocks on this crop on Monday. However, unless it is quite large it will be of no importance. We would consider visible supply stocks on January 1st of anything above 100 million bu as rather bearish unless all other conditions change in the meantime.

After early strength our market weakened, largely in sympathy with Winnipeg. At the close the leading future, December, showed a decline of 1/2¢ per bu.

Corn weather continues to be excellent, and a large share of the crop ought to be safe now from frost. If this is the case it would give us good quality, which, of course, always goes much furth in feeding results, as well as for other purposes. The crop also is likely to be a very early one, and we may look forward to somewhat heavier shipments compared with other years. This condition affecte new-crop prices, and all futures showed big declines for the day.

Oats and rye were a trifle lower in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 1, 1937.

Liverpool wheat cables declined 1 3/8 to 1 1/2¢ per bu, which was quite moderate considering the gains which had been made for four days in succession, and also the recessions which had taken place in the meantime in Winnipeg October wheat. We, ourselves, cannot see much reason why foreign markets for the present should become very weak unless there should be more pressure from the United States. This is really the only country which has large available supplies to dispose of; therefore, furnishes the key to the situation. This however will only last until the Southern Hemisphere crops are made, when both Argentina and Australia will become important factors. Canada cannot possibly play an important part for the present. As of September 28th, it is figured that the balance of wheat remaining for export and carryover up to August 1, 1938, is only 110,227,000 bu compared with 214,194,000 bu last year, or 104 million bu less. The weekly clearances from there must be very moderate.

Therefore, the importing world for the present will have to depend largely upon Black sea clearances, including Russia, and the United States of which the gulf ports and the Pacific coast are likely to participate the most. Countries which are the biggest buyers at present prefer the hard wheat, paying big premiums for same, and the red continues to be neglected. After January much will depend upon the quantities which can be furnished by Argentina and Australia. At the present time reports from these two countries are very contradictory.

On the one hand, hot winds are reported in Australia, with no indication of any break in weather for the time being. This causes concern, but it is claimed that some light thunderstorms lately were sufficient to maintain the condition of wheat in some areas; however, a good rain is urgently needed. Authorities still believe that with considerable amount of rain from now on the crop might exceed 140 million bu.

As far as Argentina is concerned, predicted rains for yesterday did not materialize, but yet the crops in the dry sections have recently improved somewhat. It is too early to obtain a clear picture, particularly as the weather from now on cannot be foreseen. All we know is that in many districts there is a deficiency of moisture. However, when we consider that Argentina shipped 140 million bu of wheat since January 1st, the bulk of which was cleared before July 1st, we can easily conceive that Argentina and Australia together could sell 180 million bu during the six months from January 1st until our new crop comes on the market, which would be at the rate of almost 7 million bu weekly. Should this be the case European needs could easily be filled without any large contribution from the United States. There was a slight let-up in the export business today. While probably a few Manitobas and hard wheats were sold the total quantity reported was of no great significance.

The primary movement continues to be large, receipts today being 1,199,000 bu compared with 1,125,000 bu last week, but only 518,000 bu last year. Receipts in the spring wheat territory were only moderate --Minneapolis and Duluth receiving 342 cars versus 251 a week ago, and 188 the previous season. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 169,000 bu, but we believe many places will show decreases this week, and we anticipate the first shrinkage in visible supply stocks this season on Monday.

(OVER)

More attention is being paid now to moisture conditions, which will affect next year's crop. Since September 20th general rains hav fallen in the Prairie provinces, improving soil conditions very materially. During the past week Manitoba received .67 inch; Saskatchewa .62; Alberta .93. Since April 1st precipitation in--

Manitoba was 14.24 inches compared with 12.62 normal,
Saskatchewan 6.99 " " " 10.65 "
Alberta 11.75 " " " 11.96 "

Therefore, with the exception of Saskatchewan conditions are satisfactory, but Saskatchewan has not yet made up for the great drought during the summer months. It is not likely that a poor crop such as they raised last year, and the worst in over sixty years, will be repeated.

Moisture is also badly needed in our Southwest; probably not more than two-thirds of the area has been seeded, but our weather ma thinks that according to the barometer readings there is a fair chanc that the situation might be partly relieved by tomorrow.

Trade in a general way was very light, and at the close the leading future, December, was 7/8¢ per bu lower for the day.

Corn receipts here today were 45 cars; a large percentage of same was new corn. This is quite extraordinary for this market to receive so much new corn thus early. We remember many years when it wa questionable whether sufficient receipts would be received here durin the month of December in order not to bring about a congestion in December corn.. From the way it looks now, the farmer, particularly where yields were excessive, is satisfied with present prices; weathe permitting we look for great accumulations in corn before the end of December. If this materializes, the difference between December and May corn should widen considerably.

Oats hardly moved, fluctuations being extremely light. Rye was lower mostly in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 2, 1937.

Liverpool cables declined 3/8 to 3/4¢ per bu, being chiefly influenced by somewhat lower offers from North America, the Winnipeg and our markets having declined about as much yesterday.

Mention is made by Broomhall that rains are more or less needed in both Australia and Argentina, but nevertheless his agent makes an estimate for a crop of about 160 million bu in Australia unless there is further deterioration. This would be considerably more than was harvested last year. We, ourselves have a cable from a reliable party in Sydney, Australia, reading as follows: "Excellent crop conditions Victoria, South Australia, West Australia; anticipate very heavy yields. New South Wales needs rain fortnight to insure good yields; otherwise fair." Under these circumstances we think it safe to calculate on average crops in the Southern Hemisphere, with a large exportable surplus, but of course the amount of rainfall during the month of October and November might change conditions either way.

There was very little export business reported overnight from either Canada or Gulf ports. At this time, or possibly a little later last year, an unexpected demand for wheat came from unlooked for quarters --Italy, Germany, and perhaps Greece; at the same time France found that the crops in her North African colonies had been so poor that both Morocco and Algeria became importers, while ordinarily they have a surplus above home consumption for the Mother country. This sudden demand finally took on greater dimensions, particularly as far as Italy was concerned, and was a great stimulant to our market; after the turn of the year there was a rising tendency for a long while. We see no chance this season for any such unexpected requirements from abroad, and believe the foreign demand will continue to be about normal for most of the European countries, but France, Italy, and Germany, in spite of their large populations, will participate comparatively very little in wheat importations. We, therefore, look with some apprehension on our large visible and invisible stocks in the United States, particularly as the primary movement continues to be very big for the time of the year. Today's receipts were 1,186,000 bu compared with 1,139,000 bu a week ago, and only 471,000 bu a year ago. For the week primary receipts were 6,634,000 bu --somewhat more than last week, and more than double of what they were last season when they amounted to only 3,198,000 bu. This in spite of the fact that the spring wheat movement is largely on the decrease: Minneapolis and Duluth received today only 252 cars versus 406 last week, and 136 a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 249,000 bu, and we look for a moderate decrease in the visible supply on Monday. However, unless we export during the next 75 business days, until the turn of the year, about 500 to one million bu daily, we do not see how we shall be able to prevent a very large carryover on July 1st next year. We assume, of course, that after January our chances for export possibilities will become very small when Argentina and Australia will be able to supply a large share of the needs of foreign consumers.

Trade today was very dull, but at the close the market showed an advance of 1/2¢ per bu for the leading future, December

Corn futures were strong and higher. There is some fear that weather is likely to become more unsettled next week, which would interfere with a free movement. Also the trade is anxious to see at what level the adjustment between old and new crop prices will finally take place.

Oats continue to remain neglected. The volume of trade in rye is also very small, yesterday's transactions being only 824,000 bu in all futures compared with 25,417,000 bu in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 4, 1937.

Closing prices at Liverpool showed advances ranging from 7/8 to 1/8¢ per bu. It was claimed that dry weather in Australia influenced utside buying abroad, although later on the advance was checked and ome realizing took place owing to beneficial rains which had fallen n the Argentine.

World shipments were slightly larger than last week, amounting o 9,206,000 bu, which compares with 10,487,000 bu last year. Since uly 1st, when our crop started moving, total world shipments of wheat nd flour have amounted to just a trifle less than 100 million bu. his is a reduction of 20 million bu from the corresponding period of 936. In our opinion it need not all be attributed to the very high cean freight rates which are existing, because we believe that if importers were desirous of laying in larger supplies, they would not esitate provided other conditions were normal. It is a fact, however, hat great economies are being practiced in many important countries f the world; in Germany and Italy admixtures are being resorted to so hat imports are being cut down to barest necessities. Of course the elatively high prices, even outside of freight, have tended to restrict normal operations; and this we believe will continue to be a actor.

One of the outstanding features, in our opinion, is the very mall demand for United States wheat. Since we re-entered the export arket last July, the United States has cleared only about 12 million u of wheat, while possibly 8 million bu was cleared from south Russian orts, and 6 1/2 million from India, as compared with the very little rom either of those countries last year. It is logical to assume that uring the next three months export trade will take place on a larger cale as far as hard winters are concerned, but at the same time we ust use this period to the very best of our ability, because after he turn of the year the Southern Hemisphere will have the whip hand n controlling the situation.

The remaining surplus in Argentina is placed at about 12 million u, or hardly more than is required for the Brazilian trade. There is bout 18 million bu available for export from Australia, and the mount being currently furnished by Canada is also small owing to their rop failure. Europe, however, is waiting patiently for the outcome f the Southern Hemisphere crops, and the result there will be more mportant than in ordinary years.

A private cable from Buenos Aires stated this morning that eather was showery in northwest Santa Fe and parts of Cordoba, and estern Buenos Aires after scattered rains which took place last night. f we were to make a comparison with growing conditions in this country, e would say that they should experience about the same type of weather hat we ordinarily have in April, since their season is six months in dvance of ours. On the assumption that the proverbial "April showers" ill do a great deal of good, it is just as likely that a normal outcome may be expected.

Domestically we are still contending with a very large primary ovement; today it amounted to 1,538,000 bu, which was practically ouble of last year, and even larger than last week. This means that ecreases in the visible supply can only proceed at a slow rate. There as a shrinkage today of 252,000 bu, being the first of the season, nd total stocks in various points amount to 130,799,000 bu, which is 5 million bu larger than at this time a year ago. Chicago stocks decreased, but there is still close to 16 million bu in store in this ity, and we believe that with only a fair demand for red wheat that eliveries next December will mean further widening between December nd May wheat to possibly 4 or 5¢ per bu.

At the close the December wheat showed a decline of 3/8¢ per bu rom the previous session, having reacted about 1¢ from the high level f the day. The fact that Winnipeg October wheat broke rather sharply fter liberal deliveries had been made was a factor in bringing about ome local selling.

Corn trade was rather small, but the tendency during most of the ession was lower. The visible supply increased 1,227,000 bu, with otal stocks slightly over the 5 million bu mark. There is gradually readjustment between cash corn and new-crop futures. Weather on the hole is satisfactory, and we think pressure will appear in sufficient olume a little later on to cause lower prices..

Other grains fluctuated more or less in sympathy with wheat, ut no particular feature was noted.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
E YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 5, 1937.

Before our market opened this morning there had been another evere recession in securities prices, and it was almost a foregone onclusion that speculative support in grains would not be forthcoming nless there were special factors to attract attention. This, however, was not the case. Liverpool futures were very weak, declining 1/8 to 4 1/8¢ per bu, the break being attributed to freer offerings f Russian wheat.

There had been no precipitation in Australia, but rather reorts were at hand claiming crop deterioration in some of the important tates of Victoria and New South Wales, with rains badly wanted. The eather in Argentina is warm now, with light rains reported in the entral zone. According to a report from Buenos Aires, wheat acreage as been increased and conditions are mainly good, although some rust s prevalent, but not considered serious. The period of the year is ow at hand when crop scares from both countries will undoubtedly be factor from time to time. However, we believe that the trade still as in mind that the same situation prevailed here last spring, and in pite of a good deal of damage, according to the latest government igures we have raised a total winter and spring wheat crop of 885 illion bu, or one of the largest in recent years.

On that basis, even assuming a large domestic use, we shall ave close to 200 million bu either to export or to carry over until he next crop. Unfortunately our export outlets are not as favorable s they were in former days. When we look back at the beginning of he century, we find that between 1898 and 1902 the United States as shipping abroad on an average of over 200 million bu of wheat a ear, which constituted 50 per cent of the total world shipments. ven with the development of agriculture in a great many other counries it was possible during the boom period 1925-29 for us to ship broad on an average of 150 million bu of wheat and flour per year, hich was about 19 per cent of total world exports.

At the present time we must face realities. Argentina has oubled her pre-war surpluses and is now running ahead of us. Assumng that only a normal crop is harvested this year, she will soon be n important factor in affording competition, because that country with comparatively small population has always been one of the keenest erchandisers of any of the exporting nations, and has found that the est way to prepare against future surpluses was to sell the grain on and at whatever price existed in the world's markets.

There were some estimates given to the trade today by the arious experts, but they showed no material changes from the September igures. The government will not publish a revised idea of the winter heat crop until next December; therefore, we must figure on a yield f 688 million bu until we hear something different. The average f those reporting today on spring wheat, estimated the crop at 193 illion bu, or a reduction of about 5 million bu from last month. his is a rather small crop, but yet considerably larger than the poor ne of last year.

More attention now is being directed to weather over the winter heat belt, where fall work is progressing. The Southwest is still ry and was favored with very little moisture overnight; There was elief by way of moderate to heavy rains in many sections of Iowa, issouri, Illinois, Indiana, and Ohio.

Besides this, there were rains recently in Canada and in our orthwest, which will put the soil in better condition, and coming at time before the ground is frozen permits some replenishing of suboil moisture; therefore, an improvement which will be of great enefit later on.

(O V ER)

Primary receipts today were very heavy, amounting to 1,037,000 bu. This compares with 816,000 bu a week ago, and only 347,000 bu last year. Apparently the country is selling more freely. We note that a few points in the Southwest had heavier carlot receipts than a year ago: at Wichita, Hutchinson, Salina, Fort Worth, and Enid there were 107 cars of wheat received today versus only 66 in 1936. So far this week stocks at Kansas City, Duluth and Minneapolis show a net increase of 213,000 bu. Minneapolis and Duluth carlots are down to more moderate proportions --260 cars today, although only 196 cars a year ago, at those two points.

At the last the leading future, December, showed a decline of 2 3/4¢ per bu, having been influenced also by the even greater break in Winnipeg, where longs were said to be liquidating their holdings. Even in the face of some readjustment today, Winnipeg May wheat is about 17¢ per bu premium overChicago, which is a big differential despite the fact that they have only moderate quantities to sell for export as compared with other years.

Corn was weak right from the start, and made new lows on the crop. Private experts look for a yield averaging 2,594,000,000 bu, which is large. Chicago should accumulate big supplies owing to the fact that the Illinois corn crop is thought to be the best in years. Continued dry weather has been ideal for maturing.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 6, 1937.

We have always maintained that bad news travels more quickly than good news, and recently a pessimistic outlook has become extremely fashionable. The securities market has been declining for several weeks, some traders fearing that a major conflict in Europe might occur. Others have pointed to the recessions of trade and industry along with the rising costs of doing business. Quoting from an English authority, with whom we agree, he claims: "We still persist in our belief that any major conflict involving the European countries is out of the question. We suggest that the relations between Germany, Italy, France and Britain are better than they have been for years past. We are not yet foolish enough to suggest that there is complete harmony on all problems; there can never be external harmony until internal economic questions are settled."

In any event, there was great weakness in quotations again this morning at Liverpool, the decline having been influenced not only by breaks in North American grain markets yesterday, but also that of stocks and commodity markets, which caused generally heavy liquidation and apparently uncovered stop-loss orders. Broomhall claims that cheaper offerings of Russian wheat also contributed to the decline. At the last Liverpool showed losses ranging from 1 1/4 to 3 7/8 per bu.

There was no change of consequence in the tenor of either Australian or Argentine news. In the former country crop conditions are still reported good, although some deterioration has taken place owing to the dry weather in New South Wales. But in spite of this crops in south and western Australia are privately estimated at 70 million bu compared with 50 million bu last year. During the last twenty-four hours no precipitation was reported in the Argentine, and this led to the belief that some damage may have occurred as subsoil moisture is not too favorable.

We need hardly go that far, however, if we are seeking to find drought conditions, because with the publication today of the government weekly weather and crop report dry soil is reported in practically all of the western sections of our winter wheat belt. While early sown fall grains are up to good stand in some regions, it is not so with the late drilled wheat which is generally lying dormant. We believe that the drought is especially important in Kansas, where drying winds and hardly consequential rains were highly unfavorable for the best development of the plant thus far. Should this situation not change there will undoubtedly be complaints later on about improper germination, or at least, that the plant is developing unevenly. We presume that this is one of the reasons for partial hesitation as far as the price level is concerned.

The market certainly can borrow no enthusiasm from any large volume of export business. While last week looked more hopeful it seems to be the spasmodic type of buying where Europe supplies herself with only intermittent regularity. There was practically nothing sold overnight from either Canada or gulf ports, and for that reason few, if any, hedges were taken out of the market from that source.

The visible supply is still very large, being over 130 million bu, and as a good part of the wheat is hedged here in Chicago there is quite a heavy burden upon the market, at least while primary receipts keep up at a large rate. Today they amounted to 1,048,000 bu. This was slightly bigger than last week, and compares with only 349,000 bu last year. Minneapolis and Duluth had 220 cars today, which is not particularly large, but compared with only 109 cars a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 63,000 bu, Kansas City showing a shrinkage of 486,000 bu for two days.

There was a good recovery from the low point of the day, partly in sympathy with an improvement in the stock market, and also because of dry reports from the Southwest. As far as the latter are concerned, we believe it is a little bit too early to become too concerned at this time. December wheat at the close showed a gain of 1 1/8¢ per bu since yesterday.

Corn was weak early, but also recovered in sympathy with the leading cereal. The movement from the country is picking up a little, and this in our opinion is bound to continue, finally placing a greater load upon the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 7, 1937.

The news before our market had opened was mostly of a bearish character. Russia had shipped 2,504,000 bu, the Danubian provinces 1,680,000 bu, and India 552,000 bu, or a total of 4,736,000 bu from these three places. We also had a private cable stating that good rains had fallen in the southern part of Argentina, and elsewhere it was threatening. This apparently was the reason for Liverpool being so unresponsive to our sharp advances of yesterday. They finally closed at unchanged figures for the March future to a decline of 3/4¢ per bu for the nearby month. The fact that Russia had shipped so heavily more than offset continued reports of deterioration in New South Wales and Victoria.

As far as Australia is concerned, we have not yet given up hope of a fair to average crop as the season is still early. A friend of ours under date of September 14th writes us from Sydney, Australia, that conditions up to that time were very good. He also calls attention to the fact that the Government in making its crop estimates generally allows for possible damage up until actual harvest without taking into consideration likely improvement. He thinks that estimate on the whole are overly conservative. Last year on September first and October first they were looking for a crop of between 115 to 135 million bu, although actually 150 million bu were finally raised.

As far as the Argentine is concerned, many comparisons will probably be made with last year's fine crop of nearly 250 million bu. The yield per acre was 15.8 bushels, or the largest in eleven years; and even though this will probably not be repeated during the current year they should have a fair surplus for export. During the session heavy rains were reported as falling in the Pampa and south Buenos Aires provinces, with as much as two inches in some sections, and rains moving northward.

It is probably too early to give much consideration to the moisture situation in Canada, although we believe that in view of the dry weather up there during the summer that the following figures are interesting. We give below the average precipitation since Sept 1 for the three Canadian provinces with comparisons for last year and the normal:

	This year	Last year	Normal
Manitoba	3.07 in.	2.12 in.	1.86 in.
Saskatchewan	2.03	.97	1.33
Alberta	3.37	1.23	1.50

In view of the fact that moisture is desirable before freezing weather sets in, we consider this as very promising.

The great hope, of course, to those who are bullishly inclined is that the export business will prove sufficiently large to finally lessen the load. World shipments since August 1 to European countries are 18 million bu smaller than a year ago, while to ex-Europe they are 9 million bu less, or a total of 27 million bu less. The one important country always to watch is Britain, because they take practically the same amount of wheat and flour year in and year out. From August 1st up to September 18th imports of wheat into that country were nearly 24 million bu against only 22 million bu a year ago, which shows that the deficiency in demand is not there, but rather in those countries that are bothered with restrictions or hampered by financial worries. Therefore, Broomhall's figures on likely imports during the coming year are probably in line. We are mindful of the fact that Canada will not be an important factor, and the visible supply in that country, not taking into account stocks in farmers' hands, is slightly less than 75 million bu, or a reduction of 88 million bu from last year's figure. However, the world visible supply of wheat, including the quantity in Argentina and on passage, is only 23 million bu smaller than it was at this time in 1936.

(O V E R)

Primary receipts today were large again, at 1,143,000 bu against 1,032,000 bu last week, and only 468,000 bu a year ago. Stocks at Kansas City, Duluth and Minneapolis this week show a net decrease of 47,000 bu; the shrinkage is all in the Southwest. Carlot receipts of wheat at Minneapolis and Duluth today were 270 versus 98 a year ago.

Broomhall calls attention to the Russian shipments since the first of August, which are slightly in excess of 10 million bu compared with almost nothing similar period in 1936. Therefore, it appears to be not mere talk but actual anxiety for that important country to reestablish herself as an export nation.

Combination of features today proved more than the market could stand. Despite some improvement in the securities market selling orders brought about declines; the same was also true in Winnipeg. At the last our December wheat declined the full permissible limit for one day's trading: namely, 5¢ per bu.

Corn could not withstand the weakness in wheat, and new lows on the crop were established. The weather remains favorable for corn, and with a smaller number of animals to feed we look for still lower prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 8, 1937.

Early quotations at Liverpool did not reflect fully the great weakness in North American markets yesterday, and the news from Argentina was to the effect that while rains had been very heavy in the southern section that elsewhere moisture was only moderate and quite irregular. However, there were some later messages of a more favorable character, and at the last Liverpool showed declines ranging from 2 3/8 to 3¢ per bu. We also had a private cable report today from Sydney, Australia, stating that fair rains were received in the northwestern and western sections of New South Wales, which were possibly general, but that Victoria needed moisture in order to maintain present estimates. In both countries the wheat areas are so enormous that it is hardly ever likely that complete relief comes all at once; we are reminded of the vast stretches over the Prairie provinces of Canada where too often traders expect that the whole country will be drenched all at the same time.

In any event there was very little export business despite the sharp declines here and in Winnipeg yesterday; although a few Manitobas were reported worked to the United Kingdom, and possibly some scattered business in hard winter wheats. Europe seems so assured that the Southern Hemisphere later on will help fill her needs that buying continues almost entirely from hand to mouth. The Italian Minister of Agriculture is actively assisting growers with the idea of increasing production of wheat and corn; particularly the latter in an effort to make that country more self-sustaining.

If anybody had told us a few months ago that our clearances from this country would be so small, in spite of one of the poorest crops in Canada in recent years, we could hardly have believed that the results would make as poor a showing as they do. Total export business from this country during the first two months of the crop year amounted to only about 9 1/2 million bu allowing for the quantities that are still in Montreal and not yet shipped abroad; and also taking into account some imports from Canada. We expect that the business between now and the first of the year will be heavier, as the Australian exportable surplus is estimated at less than 6 million bu compared with about 11 million bu at this time a year ago. In Argentina it is thought to be 7,651,000 bu against 15,029,000 bu last year, and probably a good part of this will be required by the Brazilian mills. However, since we raised about 200 million bu over and above home requirements there is every likelihood that we will add greatly to the carryover figure of last July; to that extent the market may suffer later on, particularly if prospects for next year's crops are of normal character.

Primary receipts were somewhat smaller today at 848,000 bu. However, this still compares with only 465,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a net decrease so far this week of 26,000 bu. The Southwest continues to show a shrinkage in stocks, which is only natural with receipts so light; today for instance at Salina, Wichita, Hutchinson, Enid, and Fort Worth there were only 147 cars received compared with 84 cars a year ago. The Northwestern movement has also shown a dropping-off; today there were 208 cars of wheat received at Minneapolis and Duluth versus 118 cars in 1936.

Rallies in the market such as occurred today were short-lived. At the opening the unfavorable political situation was a factor, but apparently longs are discouraged, and a good many lines have undoubtedly been carried from very much higher levels when it was thought that crops would turn out badly. Despite all the rust scares last summer and some damage we have one of the largest crops in recent years, and until foreigners decide that the price is right we are of the opinion that the long side is to be avoided, particularly as some southwestern districts are now receiving moisture.

December wheat, the leading future, sold down to 99¢ per bu at one time today, and at the close was 1 3/4¢ per bu lower than yesterday, and 32¢ off from last summer's high point.

Corn held relatively firm, but, of course, there is no great pressure yet as the movement has not started in earnest. Later on it will probably be a different story, except that on sharp declines export business will probably be a sustaining influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 9, 1937.

After our sharp break yesterday it was expected that Liverpool would probably follow suit. First prices abroad were actually somewhat lower, as there had been showers reported in Australia, and offerings of both Manitoba and Russian wheat were pressing on the market. However, it must not be forgotten that grain markets throughout the world have had a pretty sharp break lately, and regardless of actual conditions technical reactions were probably in order. The first movement of this sort started in Liverpool when Russian prices were advanced rather sharply, and, of course, had its immediate effect here, with our opening considerably above the previous close.

It is probably also true that the lower level of prices in this country has discouraged farmers' sales of wheat. We had a report from Wichita that with cash wheat selling around 91¢ per bu farmers were less anxious to sell. This, in our opinion, will probably mean lighter primary receipts, which in turn will create less pressure upon our market. We are still in the period when reports from Argentina and Australia will affect sentiment; today for instance the Argentine crop was tentatively placed by the United States attache at 205 million bu, or about 43 million bu smaller than the crop last year. The Australian wheat crop, which previously had been estimated at 175 million bu, will probably be cut also in spite of scattered rains and partial relief in the dry sections lately. Some people now are estimating that the crop may not be larger than 140 million bu.

In any event, there was a better demand for Manitobas, with a fair business reported overnight, but surprisingly enough, American hard winters were more or less neglected, although a few sales were made.

One of the encouraging developments overnight was the somewhat unexpected moisture in our Southwest, where apprehension was beginning to be felt, due to the fact that seeding operations were in some territories hampered by dry soil conditions. The rains were rather wide-spread with the exception of western Kansas, which has been pretty much neglected. Probably the heaviest precipitation occurred in Oklahoma, where as much as one inch was reported at Enid. This, in our opinion, is very favorable, particularly as more moisture is indicated for some of the eastern sections, and will make fall farm work much easier.

Less attention was directed toward political developments, but certainly the foreigners, particularly the Englishmen, are not much excited over likelihood of war developments. Therefore, we believe that grain conditions will be the more important factor from this time on.

Primary receipts were 987,000 bu, showing a falling off since last week when they were 1,186,000 bu, but compare with 331,000 bu a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 97,000 bu. The two northwestern markets practically offset Kansas City, where there has been a shrinkage of nearly one million bu in five days. There were 299 cars of wheat today at Minneapolis and Duluth versus only 106 cars in 1936. Just to show what the market has had to contend with since July 1st to date, we list the primary receipts so far on this crop at 217,314,000 bu; this compares with the previous season of 126,313,000, and two year's ago of 131,844,000 bu.

Our market at no time was weak, and apparently some of the urgent liquidation which was a feature during the previous sessions had spent its force. At the last December wheat showed an advance of 7/8¢ per bu, being influenced also by the strength in Winnipeg where even a greater bulge had taken place.

Corn, as well as the other grains, was influenced at times by the better sentiment in wheat. Short covering in the yellow cereal was a feature, but no great activity took place worthy of comment, although the close was weak.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
' YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO October 11, 1937.

Early Liverpool quotations showed considerable strength, prob-bly influenced by the sale on part of Russia of 1,200,000 bu of wheat o Austria and Switzerland, and less active chartering of vessels at ussian ports. However, later in the session advice was received of ery splendid rains in Australia, amounting to as much as one inch n Victoria and New South Wales, with showers being reported in other arts of that country. The Liverpool market was unable to maintain ts advance, and closed 5/8 to 1 1/4¢ per bu lower

World shipments this week show some improvement over those of he past few weeks, amounting to 11,505,000 bu against 8,937,000 bu ast year. So far this season since July 1st world shipments of wheat and flour have only amounted to 113,259,000 bu versus 131,003,000 u during the same period of 1936. The on-passage stocks have shown a fair increase, total afloat now being 25,304,000 bu compared with 21,720,000 bu last week, but 30,744,000 bu a year ago. Clearances rom North America for the week totaled 4,051,000 bu, which compares with 5,203,000 bu for corresponding period the previous year. North America so far this season has shipped 42,490,000 bu of wheat and flour against 67,241,000 bu a year ago.

Export business from the United States still remains a rather indifferent character. It seems to be self-evident that Great Britain is taking her wheat supplies from miscellaneous sources, only using the United States to fill up holes where absolutely necessary, and there may be a continuation of this policy until more is known of the outturn of the crops in the Southern Hemisphere.

With the rains which occurred in the Argentine last week, and the very good precipitation in Australia over the week-end, apprehension should be allayed for the time being; of course, Argentina will need further rains as the season progresses, as she has not as yet had general relief. Prospects from the Southern Hemisphere are apparently causing no undue fears, as is indicated by the discount at which the deferred futures are selling in Liverpool.

Ocean freight rates are now at the highest level since 1926; the rate from St. Lawrence ports to the Continent are quoted at 15 1/2¢ per bu, and from gulf ports at 17 to 18¢ per bu; from the Argentine it is quoted at 23¢ per bu.

There were no rains of consequence reported in our Southwest over the week-end.

With the weakness in stocks and the nervous feeling regarding the foreign political situation traders were unwilling to take the constructive side of the market, particularly as all grain markets in the United States will be closed tomorrow in celebration of Columbus Day. Our market did not respond to the early strength at Liverpool, and after the opening it was weak throughout the entire session, declining at one time the full permissible limit for one day. At the close the December future showed a decline of 3 7/8¢ per bu. Toward the close there was some talk of export business being worked on this decline, steadying the market.

Primary receipts today showed some falling-off, being 957,000 bu versus 1,538,000 bu last week. No comparison can be made with last year when there was a holiday. The visible supply this week has decreased 1,453,000 bu compared with 1,766,000 bu in 1936; the total now stands at 129,346,000 bu, or practically 55 million bu larger than last year, when it was only 74,033,000 bu. Stocks in Chicago decreased 116,000 bu, and the total now is 15,692,000 bu. We believe there will be enough wheat in this market to take care of our requirements, particularly as it is hard to figure who would want to take delivery after close of navigation, owing to the fact that as wheat is not moving into consumption at a fast enough pace, unless this situation changes materially, there should be a widening of the carrying charge between December and May.

Corn showed independent weakness during most of the session, with the basis for the cash article about 2¢ per bu lower. The weather remains favorable, and present indications point to a large and early movement of corn. There will be a government report issued after the close of the market today.

Rye and oats declined in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO October 13, 1937.

The Liverpool market during our holiday yesterday was strong, reflecting none of the weakness in this country on Monday. Early quotations today were also higher, probably due to a better tone on the London Stock Exchange, and sales of Russian and Danubian wheat to the Continent, relieving the pressure of these recent offerings on the Liverpool market. However, the demand in the United Kingdom is very quiet at the moment, and prices did not maintain themselves, final quotations ranging from 5/8 to 1 1/8¢ per bu. lower.

Broomhall's agent in Australia estimated the crop in that country between 130 and 140 million bu. We do not know whether he has taken into consideration the generous rains which occurred over the last week-end, but believe the crop probably shows improvement since the estimate was issued. A crop of 220 million bu is estimated for Argentina. Using the average of Broomhall's figures for Australia: namely, 135 million bu, plus the 220 million bu for Argentine, would give a total crop in those two countries of 355 million bu; deducting home consumption of 150 million bu would leave an exportable surplus of 205 million bu, or ample to take care of Broomhall's earlier estimated requirements to be furnished for export by the Southern Hemisphere.

Should these two crops come through as now indicated, it behooves the United States to do a very much larger export business between now and the first of the year than has been done so far, as after wheat starts moving in the Southern Hemisphere this country will be more on the defensive in vying for export business.

According to the government report issued after the close of the market on Monday, there is indicated a total wheat crop in the United States of 886 million bu, or 260 million bu more than was raised a year ago. However, the carryover this year was 50 million bu less than in 1936, but so far this year we have exported only about 10 million bu against practically nothing last year. In fact a year ago up to October 1st we actually imported about 15 million bu. This would make supplies on October 1st theoretically 185 million bu more than the previous season. The total amount of wheat on farms is reported at 333 million bu, and is 108 million bu more than last year, our visible supply is 55 million bu more than in 1936, making a total of these two items of 163 million bu. Stocks in country mills and elevators, also the big mills, have not as yet been reported, but the discrepancy of 22 million bu could easily be made up in these two latter positions.

There were many points in the Southwest which received good moisture over our holiday, extending into the panhandle district, although the rains seemed to have missed the northern section of Kansas. According to our weather man further rains are expected over southern Kansas and Oklahoma followed by clearing weather. While these rains were not general over the entire state of Kansas, they hit many of the dry spots, and should be very beneficial for fall seeding.

Primary receipts of wheat today were 1,075,000 bu for two days against 1,048,000 bu last week for one day, and 535,000 bu a year ago for one day. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 11,000 bu.

Our market was subject to rather violent fluctuations during the session, being influenced earlier by weakness in Winnipeg and the stock market, and at one time showed a decline of 3 1/2¢ per bu, but recovered due to better mill buying. We have heard of no large export sales since Monday, but there is some talk of substantial business having been worked on the break earlier in the session. At the close December wheat showed an advance of 1 1/8¢ per bu. It was rumored that quite a little of the weakness in the Winnipeg market was due to selling of Winnipeg against purchases of Chicago wheat on a rather large volume.

(OVER)

The stock market is having a sentimental influence on grains. While after a decline such as we have had in stocks recently it is rather hard to know when the fire has burned out; we do, however, believe that undue pessimism is being expressed by many people. The ghost of the depression of the early '30's seems to haunt the minds of the public. Undoubtedly the business pace has slackened and may have further reactions, but we do not feel that any major depression lies ahead of us, and whenever confidence is restored fluctuations upwards in stock prices may be just as radical as were witnessed on the down-trend.

There was a decided picking up in corn primary receipts today, amounting to 849,000 bu for two days. Weather remains most favorable and we look for a continually increasing movement.

Oats and rye sympathised mostly with the action of the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO October 14, 1937.

In sympathy with higher markets yesterday in both North America nd Buenos Aires, Liverpool cables were stronger today, their futures losing 1 1/4 to 1 1/2¢ per bu advance. There were also reports of n improved demand on part of millers for the actual wheat.

There were rains reported in Argentina, particularly in the rovinces of Cordoba, Pampa, and Entre Rios; also some in portions f Santa Fe and Buenos Aires, but were mostly in sections which had een missed last week. This is most encouraging for the new crop rospects, which undoubtedly have improved, although, of course, additional moisture will be needed before their crop is finally made.

The Canadian rainfall in the Prairie provinces since September st has been very satisfactory. Sanford Evans reports that Manitoba, with only a few local exceptions, is in very good shape, as well as western and parts of northeast Alberta. In Saskatchewan, showers were received in the eastern and northern points, and in the southern part good showers covered a wide strip along the border. As a comparison we show below the normal rainfall from the first of September to October 31st, and the amount actually received this year from September 1st to October 13th:

	Since Sept. 1. this year.	Normal
Manitoba	3.25 inches	2.98 inches
Saskatchewan	2.15 "	2.11 "
Alberta	2.46 "	2.19 "

With two weeks still to go the three provinces have had more than the normal amount of precipitation.

Black sea shipments were 3,504,000 bu this week compared with 4,184,000 bu last week, but only 2,024,000 bu same period a year ago. Of this amount Russia cleared 1,896,000 bu. This week's shipments from the Argentine show quite a falling-off, amounting to 478,000 bu against 1,218,000 bu a week ago, and 1,558,000 bu in 1936. This decrease in supplies from the Argentine is to be expected. The official estimate places the amount available from that country for export until the new crop is harvested, a period of about 10 or 11 weeks, at 9,589,000 bu, or a little less than one million bu weekly.

It is thought that about one million bu of Manitoba and United States wheat was worked for export today. There is no doubt that the export business from this country the past week has been on a somewhat broader basis, but it will necessitate very much larger exports from this country during the next three months, when we come into competition with the Southern Hemisphere, to make sufficient inroads into our surplus. From June 28 to October 1, inclusive, our total exports amounted to only 10,095,000 bu.

There was no moisture overnight to speak of in our Southwest, but indications are for scattered showers in western Kansas and Nebraska, which sections were missed by the rains of Tuesday.

Carlot receipts in the Southwest are running very light, Wichita, Hutchinson, Salina, Enid, and Fort Worth receiving only 61 cars versus 156 last year. Receipts at primary markets total 873,000 bu compared with 1,143,000 bu the previous week, but only 493,000 bu similar day a year ago. Spring wheat receipts continue to drop off, Minneapolis and Duluth reporting only 167 cars against 270 last week, and 121 cars in 1936. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 558,000 bu.

(O V E R)

Our wheat market displayed strength through the major part of the session, partly stimulated by buying against export sales, and also some buying on part of mills. However the best prices were not maintained, and at the close the December future showed an advance of only 1/8¢ per bu.

There has been a better tone to the cash corn market, with the basis about 1¢ per bu higher than yesterday, although final prices of futures showed a decline from last night. Primary receipts were 707,000 bu versus 256,000 bu last week, and only 290,000 bu last year. Argentina still has left for export about 110,000,000 bu of corn; they have been exporting at the rate of approximately 7 to 8 million bu per week, and it is practically 5 1/2 months until their new crop will be ready for market. The price in this country is close to a competitive basis with the Argentina, although normally our corn is not in condition for export until December or January, after which period there is the possibility of our doing a fair export business. In the meantime weather remains perfect, and we look for an early and large movement.

There was no particular feature to either rye or oats, although there has been some talk of shipments of oats out of Chicago.

UHLMANN GRAIN CO.

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO October 15, 1937.

The export demand has shown a marked improvement during the past eek, and has undoubtedly stimulated more bullish enthusiasm. It is ifficult to tell from day to day what the actual sales abroad are. irst of all there are a great many exporters who are not interested nough to give out the figures, while in other cases many duplications ake place, particularly if FOB sales are made through New York where oth the broker reports the business and possibly the seller also, so hat accurate estimates are impossible, and it is more or less a mater of guess work until actual clearances tell the story.

In any event, Liverpool has been quite strong lately, and they dvanced again today 1 3/8 to 1 3/4¢ per bu; so it was a foregone onclusion that our market would be sympathetically influenced.

At the moment the Argentine shipments are next to nothing--nly 365,000 bu, and probably most of this wheat is destined for Brazil. On the other hand, Australia shipped over 2 million bu. Acording to the latest figures the remaining exportable surplus of wheat in that country would be less than 4 million bu, which leads us to elieve that, like in so many years, their crop had been underestimated. There were some light scattered rains in sections of Victoria and South Australia, with probably a little more in sight, but no definite break in the weather is looked for at this time. In Argentina the moisture situation was more propitious, as light scattered precipitation occurred over a rather wide zone, and growing weather in the good sections is now reported to be very favorable. We figure that the Southern Hemisphere, however, can be left out of the picture as far as export clearances are concerned until sometime in January.

This being the case we made a fresh survey of North America, and found that in Canada at the present time there still remains for export and carryover 104 million bu, or a reduction of 99 million bu from the amount that was on hand at the same period a year ago. At the beginning of the season crop and carryover in that country less domestic consumption was 133 million bu smaller than a year ago for the similar date; therefore, it can be seen what readjustment is taking place there. However, in the next 42 weeks, or in other words until another crop is available, Canada could ship on an average of 1,650,000 bu of wheat per week and still allow for a carryover at the end of the season of 35 million bu, or practically the same size as the last one.

As far as our country is concerned, to date the surplus has barely been scratched. If we assume that possibly 15 million bu of wheat have been exported thus far, and then make very liberal allowances for the future, wishing and hoping that on each business day between now and January 1 we could sell one million bu of wheat abroad, it would mean an additional 70 million bu. Evan such a quantity, in our opinion, would not reduce the burden sufficiently, because after the turn of the year Southern Hemisphere exporters would probably do the bulk of the business. We still feel on basis of the latest crop estimates that there has been at least 200 million bu raised over and above home requirements.

A year ago Germany and Italy were very helpful because the purchases for import were on a big scale. According to the Italian official crop estimate published today, they have raised about 52 millior bu more wheat than the previous season; and in our opinion their import needs will be small, if any at all. Germany, while having raised a poor crop, will probably import sparingly, as both wheat and rye have been commandeered by the government for human needs, and if there is a deficiency for feeding requirements the chances are that corn or rye from exporting nations will be substituted. This being the case, we see nothing very stimulating at the moment, although appreciat that price declines have been drastic and that export business as it occurs from time to time may act as a cushion upon our market in sustaining values.

Primary receipts were 746,000 bu compared with 848,000 bu last week, and 679,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 770,000 bu.

At the last December wheat showed an advance of 2 3/8¢ per bu. The total open interest in wheat as reported by the government is down to 112 million bu, and has gone off considerably of late indicating that there must have been heavy liquidation on part of tired longs. Also with the improved export and milling demand short hedges have undoubtedly been taken out of the market.

Corn was influenced somewhat by the strength in wheat. However, primary receipts are 765,000 bu, or almost double of last week, and considerably more than a year ago. UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 16, 1937.

During the past few weeks eyes have been focused upon the Liverpool market, which was really the inspiration for some of the bullish sentiment. Their comparative strength, of course, was largely occasioned by high freight rates which naturally meant high prices in England, as well as the Continental markets. Today, however, there was quite a sharp reaction, and at the close Liverpool wheat showed losses ranging from 1 1/4 to 1 5/8¢ per bu. This we believe was the result of the fine rains in Australia, also some easing in freight rates.

Our own private cable from Sydney stated that there had been on an average of one inch of rain in Victoria, with good moisture in New South Wales. Broomhall also, commenting upon the rather general rains, claimed that this induced liquidation in spite of the fact that North American markets yesterday had been very strong. New crop prospects in the Southern Hemisphere have improved after the recent moisture, although in the Argentine many spots have been missed, and it is not likely that the crop will turn out anywhere near as well as the one last year, which was really quite exceptional from standpoint of yield.

Strangely enough, there is a very small millers' inquiry in the United Kingdom, and the buying is only on a hand-to-mouthbasis. Of course the large millers in England feel more independent than last year, as they are not finding keen competition from Italy, Germany and Spain, such as occurred at that time. As a matter of fact, England takes about one-half of the wheat which is imported into Europe, and her leisurely attitude makes quite a difference upon the psychology of other buyers because they seem to take on only large supplies after there have been sharp market recessions, and then bide their time if the price level climbs too high. The overnight demand was rather dull, although a little business was reported. We continue to feel that while this country will do a fairly decent export business until the first of the year that it will be spasmodic and may at times afford a cushion preventing sharp declines, yet will not make sufficient inroads into our stocks as we raised a very large surplus.

July wheat was weaker than the other months, owing to the rather general rains over the winter wheat belt. While weather reports were incomplete, there were messages claiming as much as twelve hours of steady rain in parts of Kansas; the Union Pacific reported one-half to one inch of rain over a wide area. Coming at this time it will further encourage seeding operations. Our weather man is of the opinion that the entire district will receive more precipitation. In other words, he looks for further relief Northwest, Central West and Southwest and all central states tonight and Sunday. Moreover temperatures will rise in these sections; so that we are rather encouraged over the outlook.

Primary receipts today while smaller than last week amounted to 685,000 bu compared with 603,000 bu a year ago. Stocks at Kansas City, Duluth and Minneapolis thus far this week show a net decrease of 664,000 bu. We look for a moderate shrinkage in the visible supply on Monday! It will compare with a decrease of 1,131,000 bu at the same period in 1936.

At the last December wheat showed a decline of 1 1/8¢ per bu. It was comparatively the strongest month, possibly due to the fact that quite heavy shipments from this market are being made East. However, from what we can gather this is mostly hard wheat for which the demand is good for milling. We still cannot find near the demand for red wheat, and consequently believe that carrying charges will again widen from this level.

Trade in corn was only moderate, but the primary movement is large, being about twice as big as last year. However, there seems to be a fair number of holes to fill up as the quantities carried over from the last crop were so small. It may take a little time yet before this situation is corrected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 18, 1937.

The weak tone that had developed in the Liverpool market on Saturday carried on today with losses of 7/8 to 1 1/2¢ per bu. The fact that further good rains had fallen in Australia together with the slow demand in the United Kingdom was responsible for the easiness abroad. A few light rains were reported also in southern parts of Argentina, but when the weather map was finally posted there was very little precipitation of consequence outside of one or two places in Cordoba.

It is generally considered regardless of improvement of Southern Hemisphere weather that the crops will not turn out as well as last year, although estimates are being raised a little. Broomhall now believes that Australia may finally harvest a crop of 140 to 160 million bu unless something unforeseen occurs in the next four weeks. The Bureau of Agricultural Economics in its weekly grain market review figures that the two Southern Hemisphere countries together would probably have a crop of 360 million bu, which compares with the one last year of 397 million bu. On that basis there should be a total exportable surplus of easily 205 million bu, or no smaller quantity than Broomhall has been figuring on in his compilation in order to supply importers' requirements. Of course, the remaining supply of old wheat in those countries is so small that until the first of the year there is bound to be more or less demand for North American grain. Surprisingly enough there was very little activity in the gulf demand this morning, although probably a little business had been worked over the weekend.

World shipments this week amounted to 10,884,000 bu; a little bit smaller than last week, but this compares with 9,538,000 bu a year ago. Clearances from both North America and from the Black sea were larger than for the corresponding period of 1936. The amount now on ocean passage remains almost stationary at around 25 million bu, and this probably will not change much until foreign countries buy more boldly.

One of the developments that occurred over the weekend and influenced our market was the generous rainfall over the winter wheat belt. Collectively this has been about the best moisture in some time; a few spots may have been missed, but nevertheless covered additional areas which had not been favored last Saturday, and even drenched many localities where moisture deficiency had not been complained of. Our weather man believes that further rains will occur; if this is the case it certainly should be wonderful for germination of the wheat already seeded, and may even give us a larger acreage than was earlier thought possible.

Comparisons, of course, will be made with the 1936 sown acreage of 57,187,000 acres, which was the largest on record. Even with rust which occurred last year, we finally had a winter wheat crop of 688 million bu; or in other words, the largest one in fifteen years, with one exception: namely, 1931, when 825 million bu of winter wheat were harvested. The crop just referred to came from a sown acreage of 45,647,000 acres, with hardly any abandonment during the winter, and finally yielded per acre 19 bushels, which was quite exceptional.

The visible supply decreased 1,144,000 bu this week, or practically the same as last year, and total stocks are still 55 million bu larger now than they were at that time. Primary receipts today were 868,000 bu; this was slightly smaller than either last year or last week. Chicago stocks decreased 125,000 bu, and the total here is 15,540,000 bu. There is a fair amount of hard wheat being shipped from Chicago to the East, but we think a good deal of

(O V E R)

it is transit grain; some of it we know was bought at southwestern points, and while it shows up for a time in the local visible supply it is simply here for transfer, probably to be shipped by lake from this point eastward. Therefore, reports from time to time of wheat being shipped out should be carefully analyzed. We still believe that the demand for red wheat is poor, and that wider carrying charge will finally develop.

At the close December wheat recovered early losses and was a fraction higher for the day. July wheat gained on old crop months, and while prospects for the new crop are improving with these rains we believe unless there is a much broader export demand that at the tail end of the season May wheat may sell at even money with July wheat, and possibly there will even be a carrying charge.

Corn was comparatively firm because of wet weather. However, the weakness in wheat was at times an influence. There was a decrease in the visible supply of 337,000 bu; total visible stocks in the country are still small, but of course this will change once the movement gets under way. Primary receipts today were again about double of those of last year.

UHLMANN GRAIN CO.

MEMBERS:
HICAGO BOARD OF TRADE
N YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 19, 1937.

The late rally in the wheat market yesterday appeared to be en-irely technical and with comparatively few buying orders prices were ushed higher, despite the fact that there had been very little actual ews to create a bullish situation. Furthermore, the great weakness n securities, which ordinarily would have been a very depressing actor, was almost entirely ignored; but apparently some overnight hinking on the subject brought about a reversal of sentiment this orning and at the opening our prices were about 2¢ per bu lower, in-luenced also by the unresponsiveness at Liverpool, where values were ust a fraction higher despite our yesterday's recovery.

There are reported generally light to moderate rains over the rgentine districts and midday prices in the Buenos Aires market show-d a decline of 1¢ per bu for the February future, with November wheat ¢ lower. The latter is unimportant because almost anything might appen down there with the great scarcity of old wheat; but neverthe-ess the reversal of recent strength brought about some liquidation ere, as did also reports of further rains in parts of our Southwest, lmost assuring germination of the seed. Moreover the recent pre-ipitation will probably encourage further sowing of wheat, where in some places it had been considered too dry a week or ten days ago.

The overnight export demand was again reported as very light, a little scattered business having been put through in both Manitoba and hard winter wheats, but still Europe is unwilling to take on large supplies and therefore anyone who had been figuring on encouragement from that source must be disappointed, because after last week's fairly good business there has been a great lull. In our opinion this will continue and, of course, spasmodic buying differs materially from anticipatory purchases, which sometimes occur, as in the case of Italian and German purchases last year, and gave us sustained strength for quite a period. Of course, this is all lacking now with the Italian crop much larger than the previous one, so that imports will probably not be required, and therefore the country which was the second largest importer of all European nations last year will afford no competition to England, and from that point of view it creates a more bearish situation.

Reports from Southern Hemisphere are rather encouraging, both countries having had relief now; and the chances are that with the knowledge that later on supplies will be pressing more heavily upon the market, European buyers will continue just a hand-to-mouth absorption.

Broomhall in commenting upon foreign crops tells us that good rains have been received throughout most of the winter wheat grain areas of Russia and that moisture supplies are adequate. The same is true in Germany, although in Italy moisture is reported somewhat excessive. One of the most important countries always is France, where great soil fertility exists, and there conditions for seeding are reported as being quite favorable; so we really see nothing in the immediate situation to bring about bullish enthusiasm unless there should be a marked change in South rn Hemisphere news.

We are mindful of the fact that the country is not selling heavily at the momeht, and this, of course, means that there is no new pressure on the market. Today, for instance, primary receipts were 638,000 bu, or hardly more than last year when they amounted to 593,000 bu. Minneapolis and Duluth had a total of 204 cars, while a year ago they had 166 cars; but in spite of this the demand is also lagging. So far this week stocks at Minneapolis, Duluth and Kansas City show a net increase of 39,000 bu. Based on the last government report, there is still 49 million bu of wheat left on farms in Kansas against 20 million last year; Oklahoma had 21 million versus 10 million a year ago, and even Texas, where the movement has been heavy, has over 6 million bu against 3 1/2 million bu in 1936. Illinois, Indiana and Ohio together have 47 million bu left compared with only 39 million last year. We are convinced that at sometime between now and another harvest the country will sell again more liberally, although the breathing spell may continue for a while yet, as farmers have sold a fair proportion of their crop.

At the last December wheat showed a decline of 1 5/8¢ per bu. A fair recovery took place in sympathy with the better tone in securities, where upturns were made after many issues had gone into new low ground on the present move.

Corn enjoyed a moderate trade. The movement is getting larger, primary receipts today being 788,000 bu compared with 265,000 bu the previous year, but it will be some time yet before heavy accumulations can take place at terminal markets.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 20, 1937.

Liquidation in all markets has been so thorough that regardless f actual conditions we presume that technical upturns if nothing else ould be in order, particularly with any restoration of confidence. he securities market, which for weeks had been under pressure, had rather remarkable comeback yesterday, in view of the fact that over million shares were traded. Apparently the heavy liquidation yes-erday was met with buying orders and quite a few issues were actually igher for the day and continued the upward movement in today's ession.

There was very little to the Liverpool market, although at the ast quotations showed advances ranging from 5/8 to 1 1/8¢ per bu. here was also an improvement in the export demand with some people laiming as much as 1 1/2 million bu worked in all positions, although he bulk of the business was in Manitobas.

Winnipeg, which had been very weak yesterday, showed the great-st strength today, and apparently removal of hedges in that market as only possible by advancing prices rather sharply, and the 5¢ per u upward limit was reached.

There have been moderate rains again in Cordoba and a few howers in other sections, which would lead one to believe that the rgentine crop should be making fair progress.

As we have pointed out in our letters so frequently, the demand rom North America should be pretty fair, but yet spasmodic, between ow and the first of the year. World shipments of wheat and flour ince August 1 are 15 million bu less to Europe and to ex-Europe 11 illion bu smaller than last year, which bears out Broomhall's con-ention that total import requirements this year will be almost 100 illion bu smaller than a year ago. The one country which we always ollow closely is England, as she takes about half of the wheat im-orted into Europe, and as she raises only about 1 1/2 bu per capita, er imports are pretty steady one year as compared with the other. p to now she has taken about 3 million bu more of wheat and flour han for the same period of 1936.

One naturally wonders how much export business Canada can do his season, with present stocks in all positions, exclusive of that eld by farmers, about 83 million bu less than the previous season; ut according to the latest compilation they could clear weekly on an verage of about 1,650,000 bu until next August. So that if the busi-ess would run above that figure before the Southern Hemisphere crops re harvested, it would simply mean that they would have to curtail usiness during the winter months, and this we believe will be the ase, with only small shipments being made after close of navigation.

Primary receipts were again just moderate, at 735,000 bu, or the ame as last year; however, it was quite a falling-off from last week. o far this week stocks at Kansas City, Duluth and Minneapolis show a et decrease of 275,000 bu. The big decrease is in Kansas City, while he Northwestern markets actually show a slight increase each. At inneapolis and Duluth there were 166 cars of wheat received today. his is smaller than last week when for two days they were 451, and 89 last year.

At the last December wheat showed an advance of 2¢ per bu. Most f the strength was borrowed from Winnipeg, but the fact that the mill-ng business has improved slightly, with 368,000 bu of wheat, mostly ard, reported sold out of Chicago, also had some effect upon sentiment.

We believe that some of the sales being made East comprise heat in transit which was brought from Southwestern points, and at he time of purchase were destined for Buffalo.

Corn was somewhat higher, and the cash basis was slightly im-roved. Primary receipts are as yet light. There is a great deal of alk about the possible farm loans later, although an unexpected snag as hit in the drive for the 1937 loan. According to a report on the road tape further commitments by the R.F.C. might be halted, and an fficial of the Commodity Credit Corporation stated that it would be mpossible to handle the loan without the R,F.C's. assistance. However here will be more news on this subject later on.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
IEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 21, 1937.

There was a very large business in Canadian wheat yesterday, nd exporters who had made these sales must have found considerable ifficulty in buying their hedges, as the October wheat in that market ent up the full permissible limit of 5¢ per bu. One would have magined that this in turn would have influenced Liverpool. However, here was no response from abroad at any time in keeping with North merican advances, but it seems that the higher price checked further usiness and foreign eyes were focused in other directions. It was tated that both Danube and Russia continue to offer fair quantities. lack sea shipments this week were very large, amounting to 3,552,000 u, of which Russia had contributed 1,480,000 bu; India, which has ot been heard of as an exporter in great quantities for several years, urnished also 424,000 bu. This together with favorable weather eports from Australia finally caused comparative weakness abroad, iverpool showing a loss at the close of 1/4¢ per bu for the nearby onth, while the other futures were just a fraction higher.

There were a few more rains in the Argentine, and precipitaion is predicted over the week-end. On the whole the recent moisture as brought about improvement in the crop prospects, although a few ections claimed that it was inadequate. There was a cable received rom the Australian government by the International Institute of griculture here, which was very optimistic, forecasting this year's ields would exceed last year's crop in spite of the fact that hot ry winds have caused some deterioration. It pointed out that abundant rains in the past month have dissipated earlier fears that the crop might suffer because of excessive dryness.

With this in view it seems natural that European buying should be of a spasmodic nature, and we have pointed out this situation in our market letters, so were not surprised after yesterday's liberal purchases that there was a pause in further business. We look upon the export trade to be more or less of a stabilizing character, because Europe right now is watching our markets very closely, and we believe that on sharp declines they will become active buyers. This will mean a fair amount of business for United States wheat owing to the fact that the Canadian crop was a very poor one, and even the quality has suffered somewhat in comparison with other years. However, after next January Southern Hemisphere pressure will create a different picture, and both Argentina and Australia, whose home requirements are of a moderate nature, will find that as usual the largest part of the crop must be offered through export channels.

The outlook for Canada next year is more optimistic, although, of course, too early to be a market factor. We give below the average precipitation for the three Canadian provinces since September 1st as follows:

	This year	Last year	Normal
Manitoba	3.39	2.26	2.98
Saskatchewan	2.44	1.19	2.11
Alberta	2.53	1.41	2.19

From the above it can be seen that moisture coming before freezing weather in Canada will afford subsoil reserve, and the situation now is considerably better than a year ago, and even better than normal.

Primary receipts today were 809,000 bu, about the same as last week, and compare with 463,000 bu a year ago. Minneapolis and Duluth received 196 cars of wheat today against only 121 cars in 1936. There is no appreciable decrease yet in stocks at northwestern points, but Kansas City is doing a fairly large business and supplies there are shrinking. In the three markets: namely, Minneapolis, Duluth and Kansas City the net decrease so far this week is 550,000 bu.

In sympathy with some reaction in securities our market declined at times, but December wheat at the last was practically unchanged. May wheat which has been at a very nominal premium over

(O V E R)

December, was the weakest future today, apparently some hedges are being placed in the distant month. However, unless there is a material improvement in demand for the red wheat we think that this situation will be corrected and that a fair carrying charge will finally develop.

Corn held comparatively firm. There is a great deal of talk as to whether a loan will finally be granted to corn farmers. As we understand it, the matter is now being submitted to the Director of the Budget to find out whether it is financially feasible to allow for the additional expenditure that would be involved. With Argentine corn selling relatively high, it is thought that we are closer to an export basis, and this is temporarily causing hesitation in the market. We believe, however, that once the movement starts it will be enormous, and that there will be good accumulations at the various terminal points.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct 22, 1937.

Foreign wheat demand this morning was almost entirely absent and Southern Hemisphere news seems rather favorable on balance, with Broomhall giving importers considerable reassurance, claiming that if conditions in the Argentine and Australia are maintained it will finally have quite a bearish effect upon wheat prices in all parts of the world. Australian conditions have helped the new wheat lately and farmers are less pessimistic. As we pointed out yesterday, some authorities are expecting even a larger crop down there than last year, although this is still a matter of conjecture.

At the present time we are feeling the competition of cheap wheat in the Danube and there are apparently still large quantities to be sold. From what we gather it is this wheat mixed with the high protein Canadian wheat which Europe is using now and which probably accounts for the rather poor demand for our gulf wheat. Earlier in the season the Danubian exports were estimated at 72 million bu, which was a trifle less than last season, and with not quite three months having past, it is thought that the balance remaining for export is in the neighborhood of 55 million bu. There is in addition to that probably close to 20 million bu available from Russia. We believe that a great many traders who earlier had figured on a very large export business from this country are disappointed now, as certainly the clearances for the past three months have been far under expectations. The Department of Commerce reports that exports of domestic wheat during the week ended October 16th totaled 1,792,000 bu, making the total for the season 13,250,000 bu, not taking into consideration any flour shipments. However, the latter we believe are only of minor importance, being probably no greater than the amount of wheat reported as exported but still being stored at Montreal. Possibly lower freight rates now will stimulate more business, particularly as the Continent finds our winter wheat of a satisfactory nature. There is considerable wheat still on the Pacific coast, which very likely will press on the market before long, as consumption out West is not great enough to use at home all the wheat that has been raised.

There was some gossip today that harvesting had commenced in the very early districts of the extreme northern portion of Argentina, but, of course, this is so early that we can hardly imagine that wheat will be available in commercial volume for about nine weeks yet. Therefore, there is a chance of tempting foreigners with a larger portion of U. S. grain particularly as the Canadian crop was so small, and present prices in Winnipeg are very high.

At the moment the milling demand is not particularly active, and with prices having ruled around this level for several days farmers seem a little more inclined to sell their wheat, with the result that the primary movement picked up again, and amounted to 938,000 bu compared with 746,000 bu a week ago, and only 587,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a decrease of 822,000 bu. Shipments out of Chicago today were heavy, 561,000 bu are destined to go by Lake to Buffalo, and 302,000 bu to Port Colbourne.

According to the Modern Miller highly beneficial rains fell last week over a large part of the winter wheat belt, with the result that the crop east of the Mississippi river is almost assured of a good start. Precipitation west of the Missouri river was light, and additional moisture is needed. However, seeding is almost completed except in the extreme dry sections.

At the last our December wheat showed a decline of 1 1/2¢ per bu. There do not seem to be many changing operations between December and May wheat, although recently a good deal of pressure has resulted in May wheat going to a slight discount under the December. The fact is that the red wheat demand is still very slow, and for that reason the situation might change quickly.

Corn was inclined to weakness; the movement is not particularly large as wet weather interfered with farm work, but we believe that it is only a slight delay and will be quickly corrected. The cash basis was somewhat lower and demand is only moderate.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 23, 1937.

Trade was somewhat surprised to find strength in the Liverpool market this morning, but closing quotations showed an upturn ranging from 3/4 to 2 1/2¢ per bu. Following a lower opening in that market shorts had covered being influenced by the unfavorable political developments overnight, and the trade was very thin. We were naturally influenced by this, although our strength was tempered by a very bearish report issued late last night by the Government, estimating stocks of wheat in interior mills and elevators at 157,307,000 bu. This is an increase of 44 million bu over stocks in the same position last year, and the government told us about ten days ago that the amount on farms was 108 million bu larger, and we know that the commercial visible supply is 59 million bu greater than a year ago; therefore, in these three positions there is 211 million bu more wheat than in 1936. At the beginning of the season the total supply raised plus carryover was 210 million bu greater than the previous season, but it must be remembered that a year ago up to October 1st we had imported about 15 million bu while this year we have exported say 10 million bu. So unless the amount of grain held by commercial mills is smaller than in 1936 we conclude that the crop must have been under-estimated. We say this as we do not believe that the domestic consumption during the first three months was much smaller than in the similar period of last year. In any event, supplies overhanging the market are large; and this probably is shown by the poor response of prices in spite of the fact that values have declined about 35¢ per bu from the top figure of the season. Of course, the weakness in securities today also had a sympathetic influence and there is a distinct need for restoration of confidence before speculative markets can be expected to do better.

On Monday world wheat shipments will probably be about the same as last week. As Broomhall points out clearances ranging between 10 and 11 million bu weekly are at the annual rate of 520 to 570 million bu, which is in excess of his own figure of 496 million bu for the present season. We also believe there will be a fair decrease in the visible supply, which is only natural as so far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 1,190,000 bu. A year ago the visible supply showed a shrinkage of 1,432,000 bu. Primary receipts are keeping up fairly well, and were 864,000 bu today compared with 685,000 bu last week, and 518,000 bu a year ago.

The export demand was claimed to be better than yesterday, with some Manitobas worked overnight, and a fair amount of hard winters also. In the first eleven weeks of the crop movement Canada exports have averaged weekly slightly over 2 million bu, which means that in the 41 weeks to come they can ship only 1,633,000 bu per week, allowing for a carryover at the end of the season of about 35 million bu. It is not abnormal for Canada to do the largest percentage volume of business early in the season; therefore, we think that the present season is in keeping with other years. Total Canadian stocks are about 89 million bu smaller than last year, but with the very much larger quantities in this country Europe does not become very alarmed.

It is interesting to note that shipments from southern Russia so far this season are 13,520,000 bu, or practically as large as the exports from our country.

At the last our December wheat showed a decline of 5/8¢ per bu. The strongest future today was the July, and we think that the new-crop month will continue to gain on the May wheat as we are looking finally for a very substantial carryover.

Trade in corn was somewhat more active. Cold, dry weather is favorable for a larger movement, and this apparently is being discounted by speculators. It is likely that the December delivery may lose further on the deferred months.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
NE YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 25, 1937.

First quotations in Liverpool were somewhat lower following the dcline in North America, but at the last prices were somewhat mixed, te deferred deliveries being about unchanged-- December wheat closing 13/4¢ per bu higher, probably influenced by the more unfavorable plitical outlook, but the October wheat declined 1¢ with tenders on cntract of 664,000 bu.

Trade here paid little attention to this news from abroad. We oened practically unchanged, but the moment there was a substantial rlly in securities, as well as a better early tone at Winnipeg, encouragement here lifted the market rather sharply.

World shipments this week were slightly in excess of 10 million b, or about the same as last week, but one million bu less than a yar ago. The amount now on ocean passage is running pretty uniform a somewhat over the 25 million bu mark, and apparently with England te largest user of wheat this seems sufficient to take care of import rquirements.

There was no news of consequence over the week-end. In its wekly resume the Department of Agriculture calls attention to some dterioration in the Australian crop due to drought, but beneficial rins in the Argentine. It still believes that the combined crops of te two countries will be about 40 million bu smaller than last year. Other experts are of the opinion that these estimates may prove too onservative, and the official Canadian foreign correspondent looks fr a probable wheat crop of 220 million bu for Argentina, and expects tat Australia will produce 166 million bu, which would mean 25 million bu more for those two countries if these figures will be borne out.

The important thing with us is the small export business passing fom week to week. The Bureau of Agricultural Economics states that dring the current season to-date, or in other words, during the priod from July 1st to October 15th, we have only exported about 7 million bu. This is attributed to the shortage of ocean shipping spce as the most important factor, but we presume also that the maller requirements on part of European buyers must be considered. fter all, the world wheat production excluding Soviet Russia and hina, is about 7 per cent above the estimated world harvest last yer, and 6 per cent larger than the 1935-36 harvest. Thirty European ountries indicate a yield of 1,530 million bu, or a gain of 3 per cnt over the small European crops of last year. Of course with the arious economies taking place due to financial conditions only immediate requirements are being considered. At the present time Russia ontinues somewhat uncertain, and while charters for grain shipments re on a reduced scale, bookings for November are reported as fairly large, and of course competition from this source is something that he world has not had to contend with in several years.

Primary receipts today were quite substantial at 1,072,000 bu. his was larger than last week when they were 868,000 bu; a year ago hey were only 716,000 bu. The visible supply today showed the argest decrease of the season, at 3,145,000 bu. Total stocks are ow 53,587,000 bu larger than they were in 1936. At one time this ad a bullish effect upon sentiment. Chicago stocks decreased 75,000 bu, but there is close to 15 million bu still left here, which e believe is sufficient, because even granting that another two or hree million bu will be ordered East between now and close of navigation there will probably be enough here during the winter months.

At the last December wheat showed an advance of 3/8¢ per bu. est prices of the day were not maintained as some profit taking et in.

Corn borrowed most of its strength from wheat, as recent weather as been good for husking, and we are convinced that the movement will ecome large. Today's primaries were almost three times as big as hey were a year ago at this time; however, there are a good many oles to fill up, and the visible supply shows a slight decrease. tocks in various terminal markets are still small, and some export usiness was reported, but the crop was such a large one that we hink this will overcome other factors.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO October 26, 1937.

Liverpool prices were considerably higher, having been expected lower. This was due to a combination of factors, one of them being Broomhall's Australian correspondent felt that the crop might be no larger than 140 million bu and upon publication of this news abroad Liverpool traders bought December wheat rather freely.

There was also a good demand overnight for Manitobas but just a scattered business in hard winter wheat, the latter being restricted somewhat by inability to secure freight.

It was also claimed that scattered light frosts had occurred in the Argentine but we doubt whether these could have done damage as at 8 O'clock this morning temperatures in that country ranged from 52 to 59 degrees fahrenheit, and this is quite a ways from freezing. However, Argentine prices were stronger and this had an effect upon sentiment here. We feel, however, that until wheat is actually harvested in the Argentine that prices will rule more or less strong, as there is so little old wheat left. We can also see the possibility of firm markets ruling in England, as there is less pressure abroad until Southern Hemisphere crops are gathered; and furthermore, the political situation from time to time is bound to scare traders.

One would imagine that all this might stimulate trade in American markets, and yet, it cannot be forgotten that losses speculatively had been so severe both in stocks and in commodities that new buyers cannot be immediately found. Those who have made commitments in cotton, hides, wheat or other articles where losses have been so heavy do not find enough encouragement to re-enter the market now, although values are much more conservative than they were last summer. The fact that we have only exported about 17 million bu in 3 1/2 months is also a factor and from that amount must be deducted some imports consisting of wheat milled in bond and quantities still held at Montreal, showing the difficulty of regaining our export market, which had been lost to us for three years.

It is early yet to talk of crop scares and while some western areas of the U. S. remain dry, moisture conditions for winter wheat are generally better than a year ago. The trade also has in mind that the winter wheat acreage last year was the largest in history and that the spring wheat area sown to wheat has been exceeded only three times, so that regardless of minor reductions which are taking place at the present time, we are almost assured of average crops next year and will likely not be faced with another rust plague, such as took a heavy toll from the current season's crop. Yields per seeded acre of spring wheat averaged only 8.5 bu compared with 11.9 bu, which is the ten-year average, and it is not often that two such poor crops come in succession.

When our market opened this morning there were practically no shorts who sought cover, and while prices were considerably higher in sympathy with strength at Liverpool and the Argentine, we made less headway than at Winnipeg, where their market showed overnight gains of about 3¢ per bu. With the rather indifferent milling demand there were also few domestic hedges to lift and, therefore, as the session progressed there was a gradual easing of prices.

The open interest remains in the neighborhood of 110 million bu for wheat, but shows also that speculative longs have reduced commitments and we would say that in order to find a trend for the market new incentives must be found.

Primary receipts were 564,000 bu; slightly less than last week and compare with 732,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a total decrease of 191,000 bu. We expect that the visible supply next Monday will show a smaller shrinkage than the last one, as cash business at the moment is rather quiet.

(O V E R)

At the last December wheat lost almost its entire gain, and closed about unchanged. The nearby future remains fairly strong as compared to the May, but there is no urgency in the demand for red wheat, and with the open interest still very large, we have seen very often that changes take place quickly.

Corn at times was strong, and talk recently of an export demand may have stimulated a little buying. Primary receipts are heavy for the time of the year; they amounted to 1,134,000 bu versus 336,000 bu in 1936. There have been no further decisions on a possible loan policy.

Oats were more or less neglected, although the nearby future was traded at a slight discount under May; while the movement has not been large at any time on the crop it looks as though receipts might pick up with some farmers having held back up to now because of substitute feeding, but they will undoubtedly give preference to corn from this time onward.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N' YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO October 27, 1937

The nearby deliveries in Liverpool were very strong this morning, closing 1 1/4 to 2¢ per bu higher, despite our sharp reaction yesterdy. Other months: namely, March and May, were only 1/8 to 3/8¢ per bu higher.

It seems that sentiment abroad continues bullish due to the absence of CIF offers and also because of a moderate demand for Manitobas, which apparently are being used now for mixing purposes, although they are commanding a very high price. There is a rapid absorption of old supplies of Argentine and Australian wheat, but not much remaining from the last crop; therefore, as we pointed out yesterday, it is not likely that Liverpool futures will be weak at anytime, although they are at an unusual premium over us at the moment. In spite of this, business in hard winters remains extremely disappointing, although there is some inquiry for #1 dard hard wheat, but not a great deal of business due to the fact that most of the wheat offered from this side is of lower grade.

More attention is being directed to developments in the Southern Hemisphere. The weather has not been too favorable in parts of the Argentine, particularly in the northern districts where the crop is heading on a short straw. Some are of the opinion that the exportable surplus between now and March 31, 1938, will be slightly under 100 million bu. In any event Southern Hemisphere offerings will not increase until we get closer to crop maturity.

At the present time, in spite of the fact that Canadian visible stocks are 84 million busmaller than last year, the total world visible is only 37 million bu smaller than in 1936, this being due to the fact that our own domestic visible supply is so large, exceeding last year's by about 54 million bu. The amount on passage is slightly less; U. K. stocks are actually a million bu greater, and even with the small supplies left in the Argentine, there is only 3 million bu less in that country's visible than a year ago. World shipments since August 1 to European countries are 17 million bu smaller than for the previous season, while ex-European countries have taken 11 million bu less, or a total reduction of 28 million bu. This would confirm Broomhall's earlier estimate of smaller requirements; despite that fact it is extraordinary the way importers can get along with so very little of ur wheat. It had been hoped right along that the situation might hange, but, of course, the time element is against us because with he passing of each week we are closer to January 1, when Southern emisphere pressure is generally felt.

The primary movement is not heavy and does not bring in much new pres-ure. Receipts today were 762,000 bu, which was much the same as last week and compares with 444,000 bu last year. The carlots at southwestern points made a slightly better showing relatively with receipts a year ago, but at the same time farmers generally are holding pretty ightly to their gráin and no one is looking for a big movement in the ear future, even though there is still lots left on farms. Stocks o far this week at Kansas City, Duluth and Minneapolis show a total decrease of 369,000 bu.

When our market opened we were quite strong in response to Liverpool, but as has been the case during several sessions, there was no follow-up buying, not enough export business to sustain rallies, and ven the domestic milling business hardly caused enough withdrawals of hedges to give us later support. This resulted in a reaction, which at one time was quite severe, apparently there were few shorts to cushion the market on the way down.

We had a cable from Antwerp that Russia was offering wheat quite freely, and was putting some afloat that was unsold. This may in turn affect Liverpool, as that market has been so very strong due to many uncertainties, and if they should be reassured of larger supplies they will undoubtedly lose some of their extreme optimism insofar as prices are concerned.

At the last December wheat showed a decline of 1 7/8¢ per bu. It lost some ground on the May wheat, as the two futures sold at around the same price today.

Corn is feeling the effect of the larger movement; export demand is discussed but up to now only a small business has passed. Primary receipts were 1,106,000 bu compared with only 276,000 bu last year. This should bring about accumulations. The weakness in the October delivery had little influence upon other months.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 28, 1937.

The most stimulating development overnight was the announcement made by the Federal Reserve Board that margins on security transactions would be reduced from 55 to 40 per cent, effective November 1. While no official explanation was given for this action, it was understood that the move was designed to adjust margin requirements to current stock market conditions, and as such, caused a better feeling in the stock market generally.

This had somewhat of a sentimental effect upon grain, as did also the comparative strength at Liverpool, where prices were 1/2¢ per bu higher for October wheat, although other months were unchanged to a cent lower.

It seems that contract stocks in Liverpool are practically exhausted and although Russian shipments were the largest since October 23, 1931, it was hardly a factor in influencing values. We opened somewhat higher in response to these two news items but the market immediately slumped, apparently feeling the weight of hedges, which is more of an issue than anything else and overshadows a great many of the more bullish features.

At the present time Argentine shipments are down to the very smallest proportions in recent years and this week only 220,000 bu were shipped. Likewise, India put only 215,000 bu afloat and according to Broomhall the balance remaining for export is approximately 4 to 5 million bu, with seven months of the season passed; so it is not likely that that country will be much of a factor from now on. Russia is one of the largest shippers, and this week 3,632,000 bu cleared from that country, with an additional 912,000 bu from the Black sea, and this together with India makes total shipments of 4,760,000 bu, or a fair contribution towards world shipments. As we pointed out yesterday, there are some cargoes of Russian wheat afloat now but unsold, but apparently the difficulty to secure buyers is due to the presence of smut and general arrivals of the Russian wheat are not entirely satisfactory.

There was a fair export demand from North America, both sales of hard winter wheat and Manitobas having been reported, but the quantity of domestic wheat which is being taken by Europe appears insufficient to afford much bullish impulse, although the removal of hedges does tend to sustain the price level on sharp breaks. We are of the opinion that around 95¢ there is bound to be both hesitancy and support, at least until the outcome of the Southern Hemisphere crops is better known.

There have been only a few rains in the Argentine lately, although weather now is threatening with the forecast for general rains by the week-end. Also some districts in Australia reported light rains, particularly in New South Wales, Victoria and in western sections, all of which is favorable for further plant development.

Primary receipts today were 719,000 bu compared with 809,000 bu last week, and 489,000 bu last year. So far this week Minneapolis, Duluth and Kansas City stocks show a total decrease of 675,000 bu.

Our market proved to be a rather nervous affair, trade was not particularly active, but quickly influenced by other markets. At one time Kansas City turned very strong, and shorts quickly ran for cover. It seems even with the moderate export business which is passing that Kansas City December wheat is being influenced by these export bids; and that future has gained considerably upon Chicago during the last few weeks. At the last our main future, the December, showed an advance of 1/2¢ per bu.

Corn followed more or less the trend of the leading cereal. A large export business was reported mostly at the Gulf, some claiming as much as one million bu both to the Continent and to the United Kingdom, which included also some sales from Atlantic ports. Nevertheless we have raised a very large crop and terminal markets will gradually accumulate supplies. The primary movement was 1,456,000 bu versus 302,000 bu a week ago, and 409,000 bu in 1936.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
N YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 29, 1937.

Early quotations at Liverpool were mixed, October wheat being comparatively strong, but this future will soon expire, and, therefore, is relatively unimportant. Deferred months closed with declines of 1 1/4 to 2 1/2¢ per bu. The great influence was an estimate of 19,273,800 acres standing in Argentina, which is an increase of 1,700,000 acres over the preliminary report, and is about the same amount larger than was seeded a year ago. On basis of these figures present acreage is equivalent to the five-year average, but considerably larger than in 1935 when only slightly over 14 million acres were finally standing for harvest.

Our market was influenced on the one hand by this somewhat bearish factor, but on the other side of the picture was the stronger stock market and a better feeling generally in speculative markets, securities having apparently overcome the pessimism of last week, and industrial averages were considerably higher.

There is very little wheat remaining in either Australia or Argentina until another crop is harvested; in fact, the Argentine government has prohibited further exports, which means that Europe is more or less dependent upon North American grains for the next six or seven weeks. The overnight demand for hard winters and Manitobas was just of fair proportions, and it seems that England is anxious to get wheat of high protein content, and is asking almost entirely for #1 dark hard wheat, the type which was raised in Oklahoma. Unless they alter their views the business cannot be large as there is a limit to the amount of wheat of this kind which is available.

As far as our domestic situation is concerned, we still have a very large surplus. Based on a set of figures compiled by Sanford Evans, of Winnipeg, showing actual overseas exports of our wheat and flour from July 1, 1937, to the middle of October, and allowing for a carryover on July 1st, next year, of 125 million bu compared with the small one of 91 million bu at the beginning of this crop season, we still have available for export during the next thirty-six weeks slightly over 157 million bu. This being the case we do not think that any shortage can be brought about, but rather we would be inclined to the belief that our carryover at the end of this season will be considerably greater than the one of 125 million bu, which is assumed as safe under normal conditions.

The weather at the moment is somewhat dry over the winter wheat area, but recent rains have brought about improvement in most states. Seeding in the Southwest is nearly completed now, and according to the Modern Miller, there is very little change expected in the acreage as compared with a year ago. In spite of this, our July wheat kept relatively strong, probably on the belief that with a large carryover old and new crop months will probably sell very close to the same price.

Primary receipts today were 654,000 bu; this was somewhat smaller than last week, and compares with 760,000 bu a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 1,108,000 bu.

At the last December wheat showed a decline of 3/8¢ per bu. December was considerably stronger than the other futures, and apparently there was some changing of hedges from the nearby to the deferred months.

There was no great feature to corn, although further exports were reported; this seems to mean removal of hedges, although the country is offering on rather a heavy scale. Primary receipts today were about three times as large as they were a year ago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 30, 1937.

There seems nothing at the moment to stimulate the trade in either direction. For some time it was known that with a crop failure in Canada, the balance between supply and demand was rather closely adjusted until Southern Hemisphere supplies were available. However Europe, through economies or by wise judgment in buying, has been able to secure current requirements without reaching too far ahead. Actually the largest European importer: namely, England, has taken so far 3 million bu more wheat than for the corresponding period of the previous season, and about the same quantity of flour. This is a remarkably good showing in view of the fact that a comparatively small amount has been taken from the United States, probably less than 20 million bu has so far cleared, although, of course, Russia has re-entered the picture, and to date has shipped over 17 million bu, or almost as much as we have.

At the present time Canadian stocks in various positions are 96 million bu smaller than last year. Exports for the first twelve weeks of the season have averaged 2,155,000 bu, which means that in the remaining forty weeks they can only ship 1,604,000 bu per week and yet have a carryover on August 1st, 1938, of 35 million bu. Of course, if the Winnipeg price is extremely high there is no need of having a quantity that large, but even on the presumption that these figures are correct, and that everything runs normally in Argentina and Australia, we believe that importers will have no difficulty in fulfilling their requirements. It is quite natural that during the early part of the season Canada should ship a larger proportion than later, before the Southern Hemisphere competition becomes a factor.

Europe is in need of good quality high protein wheat, and a fair business from this country took place overnight, but, of course, the quantities of #1 dark hard wheat are somewhat limited. Therefore, we feel that the volume of exports from this country will be restricted.

There was no trend to the market at Liverpool, with most futures closing at about unchanged levels, except the October wheat which declined, but is unimportant having expired today. There were some private reports of light frosts in the Argentine, and the Buenos Aires market closed fairly strong, recovering losses which occurred yesterday. One of our fr iends in Antwerp cabled us this morning that foreign markets were dull with practically nothing doing. However, he stated buyers have no confidence in present values owing to the fact that free offerings were coming from Russia, and that cargoes were being shipped from that country unsold. We are afraid unless foreign buyers become more aggressive that merely a hand to mouth buying will not prove sufficient to create real strength in our futures market. We are cognizant of the fact that with the enormous surplus that was raised this year if no shipments are made at all our prices would probably rule a great deal lower than they do at present. Therefore, continued business may act more as a sustaining influence than as a real stimulant.

Primary receipts were 727,000 bu compared with 428,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 1,446,000 bu. This will probably mean a pretty large decrease in the visible supply on Monday, which will compare with last year's shrinkage of slightly over one million bu.

At the last the December wheat was slightly higher, advancing 5/8¢ per bu. Trade was light and little interest shown, although strength in the Winnipeg October wheat at times was a factor.

Corn was independently weak; receipts are becoming heavier, and accumulations can take place. We would not be surprised to see close to 1,000 cars or more in this market Monday

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 1, 1937.

Liverpool prices were very much higher again this morning, advances at the close ranging from 1 7/8 to 2 1/4¢ per bu. This was brought about despite large world shipments, amounting to 11,888,000 bu, which was larger than last year, and compares with slightly over 10 million bu shipped last week. However, there was some nervousness abroad owing to the fact that further reports of frosts in the Argentine were considered as possibly doing some damage.

Based on the official Argentine acreage, as announced by the government last week, we doubt whether there will be a very poor crop this year. The average yield in five seasons, including the crop failure of 1935, was 12 1/2 bu per acre on sown area, and if anything like that average could be secured this year there would be a crop of 240 million bu. If we assume that conditions would be as bad as they were in 1935, when only 9.92 bu per acre were raised, even then the crop this year would finally yield 191 million bu.

As far as Australia is concerned, one of our friends from Sydney advises us that taking the commonwealth as a whole he does not see any material change in crop prospects; the chances of any great deterioration was arrested by good rains a few weeks ago in both Victoria and New South Wales.

Our market opened somewhat higher, but immediately a few selling orders appeared and prices eased below the previous close. Probably the indifference lately and heaviness of the market is due to the load which is being carried at the present time. According to the government's figures issued late Saturday, stocks of wheat on October 1st totaled 771 million bu compared with 542 million bu a year ago. This means that somewhere in the country there is 229 million bu more wheat available for various purposes than there was in 1936. They also tell us that during the first three months of the season disappearance totaled 218 million bu versus 227 million bu for the corresponding month of last year; and this in spite of the fact that we have done a fair export business against only trifling quantities during the 1936 period, and some imports as well.

We must dwell once more upon the foreign demand, which up to now has been notoriously poor. It seems that Europe is still desirous of obtaining either high graded Canadian or American descriptions of wheat; and as one of our friends abroad puts it, both of these have proved rather prohibitive to millers so far. This has brought about a tendency to adopt a cautious attitude pending more definite data concerning the Southern Hemisphere crops.

Liverpool prices are now about the same as they were a year ago, despite the fact that Chicago futures are selling at tremendous discounts. This may be partly explained by the freight situation, which keeps buyers abroad somewhat anxious, but the leisurely buying on part of foreigners creates periods of pressure over here. Today, for instance, in spite of the great strength at Liverpool, the export business was very disappointing.

Primary receipts today were 963,000 bu, slightly less than last week versus 695,000 bu last year. The visible supply showed a very heavy decrease of 4,693,000 bu, and total stocks in all positions are now about 50 million bu greater than they were for the corresponding day of last season. Chicago stocks declined 233,000 bu, leaving 14,632,000 bu still here.

At the last December wheat, showing greater weakness than the other futures, declined 3/8¢ per bu.

Corn was somewhat lower, although nothing drastic. Chicago receipts were not as large as had been looked for. However, the primary movement was very big, receipts being 2,409,000 bu against only 741,000 bu a year ago. The crop being both large and early will make it possible for terminals to accumulate good supplies.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 2, 1937

Liverpool reversed its recent action and closing quotations showd losses ranging from 1 1/2 to 1 3/4¢ per bu. Local liquidation was aid to have taken place, owing to milder weather in the Argentine, hich in turn allayed fears of frost damage. Furthermore, there was ear that more pressure of new Australian crop offerings might develop, lthough up to the present time hardly any sales have been made for uture shipment. There had also been reassuring news from one of the merican crop experts now visiting the Argentine, who cabled to his ouse in Chicago today to the effect that he considered frosts too early o damage wheat, and the trade in general has in mind now that each day rings us closer to crop maturity in Southern Hemisphere, which is ound to bring additional pressure upon world markets. It is true that he crops are not entirely made and in many areas of Australia conditions are irregular; but in this respect it is no different from an ordinary year and with wheat cutting already started in a few of the very arly sections, foreign buyers will probably be very conservative in ulfilling requirements, except as they actually need the grain.

Shortly after our market opened there was further news on the orn loans, which had become an actuality yesterday, when $85 million ad been tentatively provided for carrying out the administration's plan. This morning it was announced that Secretary Wallace, together with other AAA officials, had determined that loans on the 1937 corn rop would be made at the rate of 50¢ per bu. As we understand it the money is now authorized to be advanced to the Commodity Credit Corporation to cover the loan, and while some of the other details remain yet to be worked out, the matter had a somewhat stimulating effect upon the market, particularly December corn, on the theory that the movement from farm to terminal market would be somewhat cut down. Wheat, however, did not benefit materially from this news, and as a matter of fact, declines set in, particularly when it became known that the overnight demand from abroad was very slow and weakness at Winnipeg was also a factor.

There was an item that contributed also to the lower range of prices: namely, a forecast made by the Bureau of Agricultural Economics, calling attention to the fact that the demand for farm products would probably not be as favorable in 1938 as during the current year. They stated that although it was impossible to determine definitely to what extent the present recession would continue into 1938, the chances appear to be against a sufficiently early and vigorous rise in 1938 to bring the average of industrial activity and of consumer incomes for that year up to that of 1937. Their optimism, however, lay in the fact that possibly a larger volume of crop and livestock marketings might offset declines in price.

At the last December wheat showed a decline for the day of 2 1/4¢ per bu. The nearby delivery at one time traded at even money with May but gained ground towards the last. May wheat made the lowest closing price established on the crop. We still believe that there will be a carrying charge unless there is a very material improvement in the demand for red wheat.

Primary receipts were 826,000 bu compared with 564,000 bu last week; no comparisons can be made with a year ago when there was a holiday. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 569,000 bu.

Corn, as stated earlier, improved upon announcement that the corn loan would be 50¢, because some operators had figured that the government would only be willing to loan 45 to 46¢ per bu. Best prices of the day were not maintained because it is generally felt that all of the farmers will not take advantage of the loans, and as a matter of fact, sales from the country were fairly good. It is generally thought in order that farmers avail themselves of the government's offer that they will have to agree to cut acreages next year, or at least to enter the soil conservation program, and possibly to agree to certain selling quotas; this may deter some farmers from borrowing. Furthermore, the crop is so large that it is a question whether crib space would be sufficiently ample to store very large quantities.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 3, 1937

Further retreat in Liverpool prices was evidenced this morning, wing to the fact that the cash demand abroad was slow and the Ausralian new crop wheat was offered for early December shipment. Futures declined from 1 3/4 to 2 1/4¢ per bu, probably influenced also by substantial rains in New South Wales, which were beneficial in some sections, although not wanted in others.

As we view the situation now after a rather appreciable decline, one would naturally become more conservative, believing that with lows established on the crop that some caution should be exercised, particularly since futures are off nearly 40¢ from the top level of the season. Nevertheless the export business is extremely disappointing; and in view of the fact that in most years we ship 70 per cent of the wheat during the first six months, it does not look as though total business for the year will be large enough to prevent a very large carryover.

According to Sanford Evans it is estimated that our net overseas shipments of wheat and flour, which include certain quantities for Canadian consumption, from July 1 to October 30, were 18 1/2 million bu. This covers a period of four months, and means that only a little over 4 million bu per month was taken from this country. Allowing for a carryover on July 1 next year of 125 million bu compared with only 91 million at the beginning of this season, there still remains for export 154 million bu during the next thirty-four weeks of the season. This is all on the assumption that the Government will not increase its estimate in the final figures next December.

The private crop experts today gave their views concerning the acreage seeded to winter wheat. The figure is a little over 56 million acres, or a slight reduction from last year when the largest acreage in history had been planted.

With this in mind we regard the situation as bearish because with a large carryover and heavy prospective supplies from the next crop, together with the fact that Canada may not have another failure crop, there will undoubtedly be very keen competition to command the export market.

Some people at the moment are hinging hopes upon unforeseen damage in the Southern Hemisphere. While something of this sort is still a possibility one can only figure on the average; and certainly within another few weeks the picture will be clarified. Others are fearing that deliveries on December contract will not be sufficient to take care of trade requirements. We look at the total number of bushels in Chicago elevators and not merely at the quantities stored in Federal houses or public warehouses already available for deliveries. Should the demand for red wheat not improve by December when navigation closes there is a likelihood that some wheat now in private houses might be transferred into suitable positions. What should really be of interest is the demand side of the situation and also the fact that there is considerable wheat still left back on farms.

Primary receipts today were small, and amounted to only 383,000 bu compared with 649,000 bu for a two-day period last year. Stocks so far this week at Kansas City, Duluth and Minneapolis show a total decrease of 1,163,000 bu. The large decrease was at Duluth, and apparently there is shifting of stocks just prior to close of navigation. The demand generally for wheat is poor, and millers are not at all aggressive.

At the last December wheat showed a decline of 2 1/8¢ per bu.

Corn held comparatively firm in spite of the great weakness of the leading cereal. The fact that nobody knows yet the effect of the government loan policy upon prices has encouraged short covering, and thus weakened the technical position of the market. The private experts anticipate a crop of 2,636,000,000 bu, which shows an improvement over last month. Illinois and Iowa, states tributary to Chicago, have received wonderful yields. In our opinion there will be many more farmers who do not borrow money from the government than those who avail themselves of loans. Therefore, we feel that it is not yet safe to make purchases simply on the theory that farmers will all hold back supplies from market.

Rye held relatively firm. Small lots were bought and there was no pressure.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 4, 1937.

Liverpool prices continued their downward trend, and at the last there were losses ranging from 1 1/2 to 2¢ per bu. There has been no confidence displayed recently in any of the commodity markets, and yesterday further declines were shown in coffee, metals, rubber, and hides, not to mention new seasonal lows for wheat. Coffee futures in New York dropped the permissible limit following the Brazilian government's decision to abandon its coffee price control scheme. As is generally the case with these artificial methods they seem to feed on their own failure, and so often work to the detriment of those whom they propose to help.

There were some further rains in the Argentine, although that market held quite steady, and Broomhall now figures that if there are no further setbacks during November that the export surplus of wheat during the coming year will be around 132 million bu, which will compare with exports so far this year of slightly more than 143 million bu. This being the case, Europe again seems composed, and is awaiting those results without stretching out too far to take grain from North America.

The overnight business was very small, and there was hardly any interest in corn either. Wheat shipments from Russia were again very heavy this week, amounting to 3,600,000 bu. The amount cleared from other Black sea ports was rather small, being only 584,000 bu; India cleared but modestly, furnishing 296,000 bu.

The Bureau of Agricultural Economics came out with another one of its surveys today, and forecast prices materially lower for next year's crop unless world production of grain would again be small. It was pointed out that acreage in this country would not vary greatly from the record-breaking area of last year, and claimed that average yields would produce a crop of one billion bushels. This was modified, however, because of the moisture supply up to the middle of October. The conclusion was that the final wheat crop next year might not differ materially from the 885 million bu harvested this season. They expressed apprehension which we did also in our letter yesterday, that the export situation during 1938 might not be so favorable owing to the fact that world production might exceed requirements.

With this information at hand new speculative purchases seemed again limited, particularly as the domestic business is also rather light, and demand on part of mills quiet. According to recent figures, the large mills of the country have about 10 million bu more wheat on hand than last year, and these figures in connection with those of farm reserves and country mills and elevators, also the visible supply have led us to the belief that the crop must have been under-estimated and that very likely a change will be made when the final figures on the size of the crop are published next month.

Primary receipts were fairly heavy for the season of the year, at 659,000 bu compared with 290,000 bu last year. Stocks so far this week at Kansas City, Duluth and Minneapolis show a total decrease of 1,642,000 bu; the largest decrease is in Duluth where 1,136,000 bu are shown, but undoubtedly a good part of this wheat might appear in some other position later on.

The market indicated clearly that there was no appreciable short interest, and consequently with the export business so poor it had its effect on the Kansas City December wheat, which lost ground on later deliveries. This also had an influence on Chicago, with the December wheat turning the weakest. There is still an open interest in the near month of about 52 million bu, and as we have thought all along there will probably be a wider carrying charge from December to May, as the demand for red wheat is not at all urgent. At the last December wheat showed a loss of 2 1/4¢ per bu.

Trade in corn was only moderate. Overnight developments disclosed the fact that the government corn loans would only be extended to farmers who had been a party to the soil conservation program earlier, and that loans would furthermore be limited to the important corn states, and the heavy producing areas. If this is the case there will probably be a pretty fair movement to market, and with accumulating supplies, very likely wider carrying charges.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
V YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 5, 1937.

Liverpool prices were rather steady, closing at about un-
nanged levels; the tone improved after a lower opening that was in
ympathy with the declines in North America yesterday. It seems that
norts covered extensively, owing to the confirmation of some frost
amage in the Argentine last week by Broomhall's agent. However, others
o not regard the situation as serious, and the government authorities
n that country are more optimistic, feeling that the recent frost had
ot damaged the grain although the leaves and stalks are discolored.

On the other hand news from Australia is very encouraging;
creage seeded to wheat this year is now officially placed at 13,735,-
00 acres, which is slightly above the preliminary estimate compared
ith only 12,630,000 acres last year. The production of wheat is
fficially estimated to be 163 million bu, and this will compare with
nly 150 million bu actually gathered from last year's crop. Of course,
he increase was not altogether unexpected in view of the improved
eather conditions during October, but, as we have pointed out in our
revious market letters, final figures are so often higher than the
reliminary estimate.

There were also some good rains overnight in Argentine, and
rom our private information we learn that conditions down there are
uite satisfactory. This may be the reason for the indifference on
art of European buyers, as hardly any export business developed over-
ight for hard winters, although the demand for Manitobas was fairly
ell maintained.

Canada, of course, is limited in the amount of wheat which she
an sell this year; to-date shipments abroad of wheat and flour, and
lso those to this country for consumption, including a small amount
f bonded wheat, show a reduction of about 43 million bu from export
igures of the previous season. At the present time the balance re-
aining for export and carryover is about 91 million bu smaller than
t was in 1936 for the corresponding date; but in view of the fact that
e have such a large surplus still remaining in this country, there
oes not seem to be fear of any shortage. In thirty-nine weeks, until
nother Canadian crop is harvested, Canada could ship on an average
f 1,566,000 bu weekly. So in spite of the crop failure up there
hey are still somewhat of a factor, although on a greatly reduced
scale.

Outside of what is being furnished by Russia and the Danube,
as well as by North America, there is not much pressing on the market
because the Argentine surplus is about consumed with probably not much
over 5 million bu still remaining. Australia contributed 1,758,000 bu
toward world shipments for the week; this is a little bit larger than
last year, and also slightly more than was shipped last week. Should
the Australian crop come through early, as is indicated now, it is
difficult to imagine that the demand for North American grain will
be very great, except at competitive levels.

Our market opened somewhat higher in sympathy with firmness
at Liverpool, but apparently the fact that seasonal lows were establish-
ed as soon as further liquidation set in created the belief that new
incentives would be necessary if we were to have much beyond technical
rallies. December wheat continued to be the weakest future, and at
the last showed a decline of 1 1/4¢ per bu, closing at the season's
lowest point.

Primary receipts keep up fairly well in spite of the sharp
break, and amounted to 802,000 bu against only 330,000 bu in 1936.
Stocks so far this week at Kansas City, Duluth and Minneapolis show a
total decrease of 1,823,000 bu. In the four day period Duluth has
lost considerable wheat, as 1,216,000 bu have left that market, but
we are inclined to believe that this may show up either at Buffalo or
on the lakes next Monday.

Corn could not escape from the generally bearish sentiment
that existed. Primary receipts were nearly 2 million bu versus only
426,000 bu last year. There was a little better demand for export, but
not enough to be a market factor. It is now estimated that Argentina
has an exportable surplus of 83 million bu compared with 145 million
bu a year ago. This will probably mean a demand from time to time for
our grain, and may prevent extreme weakness. A local house reported
100,000 bu sold from Chicago to exporters.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 6, 1937.

Overnight news was construed as discouraging, with prices in Liverpool closing sharply lower, losses of 2 5/8 to 3 1/4¢ per bu occurring. It so often happens that when we follow daily fluctuations on variations that we sometimes forget what is normal. By this we mean that even with the sharp decline at Liverpool, December wheat in that market was 33¢ above our closing price last night, which is certainly more than an ordinary difference; but the fact that the quotations themselves were lower, induced further liquidation and we immediately established new seasonal lows when more stop-loss orders were uncovered on the way down. The English market has been very strong for weeks, one of the big influences being the high freight rates. Furthermore England is a country that seldom has more than a month's food supply on hand, and, therefore, they were somewhat apprehensive over the outcome of the Southern Hemisphere crops. This, however, has changed and it is reported that the recent frosts in the Argentine have not damaged the crop to any large extent. In addition to this Australian sellers are becoming more active, and, therefore, it would not surprise us if the difference between Liverpool and Chicago would narrow further. It had also been reported that the ban on Argentine wheat exports had been eased; supplies were sufficient for home needs, but this should hardly be a factor since the amount remaining for surplus from last year's crop was extremely small.

Export trade from this country was very light and it may be that improvement will not take place until markets become more settled. In the meantime a good many factors are being lost sight of, as is so often the case when drastic liquidation sets in. Crop conditions in parts of our Southwest are rather pessimistic, with both surface and subsoil dryness being reported over wide areas. Of course, this situation may change but at least the plant is not getting off to a very good start in western sections of Kansas and Nebraska.

In spite of the indifferent demand from abroad Bradstreet's North American clearances are slightly over 5 million bu compared with a little over 6 million bu shipped last year. It is interesting to note that Russia has been quite a factor on this year's crop, and clearances since the first of August are 20,752,000 bu. Those who belittled Broomhall's early estimate in regard to Russia being able to ship 32 million bu for the entire season are now less skeptical, and, of course, the re-entry of this country as a world exporter has been a factor in the decline. Whether present prices discount the situation to date remains to be seen, after more is known of the actual size of Southern Hemisphere crops. In the meantime we regard prices as low enough at least temporarily. There has been a decline of more than 10¢ per bu during the past week, and a break of 45¢ from the high point of the season, which would certainly suggest that great caution be exercised around the 85¢ level for December wheat.

Whether inflationary measures will come to the foreground in the immediate future is somewhat of a question. The recent heavy purchases of gold in England were undoubtedly based on fear that further devaluation in the United States might take place. While such news is not being contradicted, we do not anticipate any changes in the price of domestic gold, although an inflationary sentiment might for a time prove helpful but would hardly affect commodities in international trade.

Primary receipts were 649,000 bu compared with 575,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 1,366,000 bu. We expect a fair decrease in the visible supply on Monday, which will compare with a shrinkage last year of only 825,000 bu.

At the last December wheat showed a decline of 2 3/8¢ per bu. The fact that Winnipeg was off more than 15¢ during the week was also a factor, and new buying power was insufficient to offset totally the liquidation, although reactions from the low point took place.

Corn was somewhat lower in sympathy with the leading cereal. The country movement is fairly good, although the government loan policy is undoubtedly holding back at least a percentage of the grain that might otherwise move to market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
N ' YORK PRODUCE EXCHANGE
.W YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 8, 1937.

Liverpool started somewhat easier and liquidation abroad was nduced by lack of demand for cash wheat, as well as cheaper offerngs of American hard winter wheat. World shipments were close to 2 million bu, and the quantity on ocean passage incre ased by about 1/2 million bu, which was all regarded as reassuring from the point f view of the European buyer. Final quotations at Liverpool were uite weak, with declines of 2 1/4 to 3 1/8¢ per bu being registered. s we pointed out last Saturday, there is likely to be a narrowing f the spread between the European market and our own. While Liverool is still selling at a tremendous premium over us, they establishd new seasonal lows this morning, and with fairly good progress being ade in the Southern Hemisphere they are more vulnerable to bearish ews than we are in Chicago. As a matter of fact our July wheat at round 81¢ per bu, with the many vicissitudes still ahead might ravel many stormy paths before the proper price level is finally eached.

We appreciate that a very large acreage has been sown to winer wheat, and yet crops are not made in the Fall of the year. Thereore, an unusually large abandonment or continuation of dry weather n many sections could at least temporarily bring about crop scares, nd give us reactions from the depressed level of today.

At the moment there is very little encouragement for a bull arket. The Australian crop is estimated at 13 million bu larger than he crop of last season, and shippers are offering new wheat for late ovember sailing; there are also moderately heavy offerings from ussia and the Black sea ports. Reuter's Argentine cable claims that t is now raining in the entire cereal zone with a forecast for unettled weather most of the week. Officials report that the latest rost damage occurred only in a small percentage of north Buenos Aires, nd that the damage to wheat in Santa Fe is said to have been exagerated. However, as previously stated, this should have more of an ffect upon markets in Europe than upon our domestic trade.

Much is heard about the poor quality of our last year's crop, ut we do not believe to the extent of bushels that this will be much f a market factor. According to government figures for the four onths, July through October, the wheat tested by Missouri and Kansas laboratories averaged 12.91 per cent protein compared with 13.72 per ent for corresponding months a year ago. The trouble at the moment is that milling inquiry is still slow, and this coming together when there is no gimp either to the export market or to speculative trade, found new buyers rather scarce whenever liquidation set in. With that in mind, even after sharp breaks such as we have had, there is no real enthusiasm.

The principal buyer from the other side is still England; and that country takes almost one-half of the wheat imported into Europe; to-date they have imported about 1/2 million bu more wheat than last year, and just about the same quantity of flour. This puts them in a somewhat independent position where they can await further results from the Southern Hemisphere.

Our visible supply decreased 1,400,000 bu, and the total is nearly 119 million bu --very large for this time of the year, and not quite 50 million bu greater than in 1936. Primary receipts are keeping up despite price declines, and were 907,000 bu compared with 595,000 bu in 1936.

At the last December wheat showed an advance of 1/8¢ per bu. It recovered earlier losses in sympathy with strength at Winnipeg and inflationary fears because of higher gold prices being reported in London, but there was no particular vigor to the buying.

Corn was also easier, and the fact that the visible increased 4,582,000 bu was a factor. Last year without the corn loan the increase was only 531,000 bu. The primary movement continues big. According to the plan arrived at under the government loan, 2 1/2 cubic feet of corn testing 14 1/2 per cent in moisture will be regarded as a bushel of corn eligible for the 50¢ loan. For each 1 per cent increase

(O V E R)

in moisture content in excess of 14 1/2 per cent there will be a deduction of 2 per cent in the bushels of corn as determined by the cubic content of the sealed crib. No loans will be made on corn having a moisture content in excess of 20 1/2 per cent. The loans will bear 1 per cent interest, and will be available between December 1, 1937, and April 1, 1938, and will mature in ten months from their respective dates, but in no event later than November 1, 1938.

Very little was heard of export demand today, although some business last week was done by barge shipment via the gulf; and this apparently is somewhat of a sustaining influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
IEW YORK COCOA EXCHANGE
N / YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 9, 1937.

Liverpool reacted rather vigorously after the decline yesterday which had carried their futures to seasonal lows. although best prices were not maintained and at the last advances were shaded somewhat, the close being 7/8 to 1 1/4¢ per bu higher.

Export demand was improved both for Manitobas and small quantities of American winter wheat, although Europe is evidently satisfied in making purchases merely from hand to mouth. Apparently the decline abroad was somewhat overdone, owing to the heavy liquidation; therefore corrective adjustments were in order. We are mindful of the fact that a year ago today there were quite a few frosts reported in the Argentine, and yet the crop turned out wonderfully well, with heavy yields per acre finally resulting. We would say that although there are rains at the present time in northern sections which have interfered with harvesting, they have proved so beneficial in the southern zones where the crops were less far advanced that on the whole they have probably been a blessing.

Broomhall comments on the recent official estimate of the Australian government for a crop of 163 million bu, which will leave around 108 million bu for export during the coming season, and this is somewhat better than the quantity they were able to furnish last year.

Taking it all in all there will be no shortage of wheat this season, and as far as our own country is concerned, the adjustment between supply and demand will not be close, as it was last year. We are expecting a much larger carryover, since it is not likely that the export business will relieve us sufficiently of the surplus produced this season. Just what this figure will be cannot be estimated until we have the final crop yields from the government in December, and then, of course, the outcome of Southern Hemisphere crops will also be a determining factor. In any event a good deal of this information has been so widely advertised that possibly it is discounted to some extent in the present price level. Certainly the speculative interest has been greatly reduced from the top figure; on August 19th of this year, we had 141 million bu in the open interest compared with only 106 million bu last night, showing that a smaller speculative interest is now to be dealt with. Therefore, after the recent heavy liquidation further recoveries might easily take place, although sustained strength can only come about if we manage to do a larger export business.

A year ago at this time there was a good deal of buying because of the prospective demand from Italy and Germany, and as a matter of fact this did develop to such a stage that it was quite a market factor. But Broomhall now claims from his Liverpool office that unless Italian and German demand develops that he considers the general buying power in Europe insufficient to withstand the anticipated Southern Hemisphere competition; and with that in mind it may be that market strength will be more or less of a temporary character. Generally speaking, the real pressure of offers and shipments does not occur until after the turn of the year, and January 10th is considered the calendar time for speculative selling, because by then the demand for North American grain generally subsides.

Some attention is being directed to the withdrawal of gold from this country, and a shipment in excess of $10 million worth of the precious metal is being made to France, which is the first time since March 2, 1936, that this country was an exporter. The fact of the matter is that we have accumulated such a tremendous quantity of gold that even if we have to give up a portion of our holdings, it will probably not be effective upon the general price level in this country.

There were sales of Chicago wheat made presumably to eastern mills, but we understand that it is hard wheat, but nevertheless it had a firming influence on the nearby future. Chicago stocks in all positions decreased 622,000 bu last week, but there are still 14 million bu here in Chicago in elevators and afloat.

Primary receipts were moderately smaller today, at 423,000 bu; this compares with 345,000 bu last year. So far this week stocks at Duluth show a decrease of 352,000 bu; there was no change in stocks at either Kansas City or Minneapolis.

(O V E R)

At the last December wheat advanced 1 1/8¢ per bu over the previous close. The fact that Winnipeg was so strong together with a better inquiry for exports brought about a generally improved sentiment.

Corn was also higher. There was no particular feature except possibly some short covering, but primary receipts while about four times as large as last year had shown a falling-off from those of last week. Some traders are waiting to see how much effect the government loan price will have upon the movement to market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
NE YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 10, 1937

Liverpool was strong and closed 1 3/4¢ per bu higher. There were ight frosts last night in the Argentine, but from best information hat we could obtain it was confined to rather isolated spots. Our wn reports were to the effect that hardly any damage was claimed. n looking over the temperatures at 8:00 A.M., the coldest section as in the province of Buenos Aires, where there was a range of from 6 degrees Fahrenheit to 57; elsewhere it was warmer. In parts of anta Fe the temperature was practically 68 degrees. It is not unsual at this season of the year for some frost to occur, and as we ointed out yesterday, a year ago a similar situation existed, but et, was not a factor in the final yield.

According to current reports, the final outturn of the wheat rop will range somewhere from 200 to 227 million bu, and with home equirements of approximately 95 million bu there should be anywhere rom 105 to 132 million bu available for export during 1938. Should he top figure be reached it would come close to the amount of wheat vailable during the season just being completed.

As for Australia, on basis of the last official estimate, which s larger than those of the past few years, it looks like an exportable surplus of 108 million bu, which seems ample, but yet is smaller han the five-year average production of 1931 to 1935.

This country is making an exceptionally poor showing; total net xports, including the amount shipped to Canada for consumption, re about 19 1/2 million bu. On that basis and allowing for a carryover of 125 million bu at the end of the season, we still have available for shipment during the next 33 weeks (until there is another crop) 153 1/2 million bu. Such a figure in our opinion will never be reached as business during the best months of the export season has been very disappointing. Had anyone told us last May that the Canadian crop would be a failure, we might have guessed that Europe, at least for a period, would have taken as much as 5 million bu per week from this country, but apparently other export nations have competitively taken some of our business away, plus the fact that world requirements have tapered off. Since August 1, Europe has taken 16 million bu less than last year, while ex-European nations have taken about 13 million bu less, or a total shrinkage of about 29 million bu. The latter is because of the United States not being an importer this year.

The visible supply in Canada is 74 million bu smaller than in 1936, and yet there is a fair Manitoba business going on almost every day as Europe requires high grade wheat with protein content for mixing purposes. There is also a demand for our #1 dark hard wheat, but the volume presently being done is not of a large nature.

Primary receipts today were 634,000 bu versus 383,000 bu last week; no comparison can be made with a year ago as there was a holiday at that time. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 796,000 bu.

The market had a better undertone right from the start. There were recessions at times, but never did the price level go near the previous close. We believe the improvement in the stock market also was a help in shaping a more bullish sentiment, as was also strength in Winnipeg and Minneapolis. At the last December wheat, which was the strongest future, mainly due to outright buying rather than to any particular spreading operations, showed an advance of 1 7/8¢ per bu.

Corn was slightly higher in sympathy with wheat. Primary receipts were 1,215,000 bu-- a small decrease from those of last week. Undoubtedly the loan policy is tending to keep more corn on farms.

Rye was independently strong with the announcement that one of the government's agencies was in the market for purchases, and would use this grain to be milled into rye flour which would be dispensed for relief purposes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 12, 1937.

Frosts in the Argentine Wednesday night were of sufficient importance to cause great apprehension, and Liverpool prices rose yesterday while we were observing a holiday. There were further advances this morning with the result that total advances for the two days were 3¢ for December wheat, while the more deferred months were up from 5 1/8 to 5 1/2¢ per bu. Of course, the latter would naturally be more influenced by the amount of wheat which willfinally be furnished by the Southern Hemisphere. It is impossible at this distance to try to calculate how severe losses in the Argentine might be. It is claimed that frost covered almost completely the southern and western Pacific railway zones, but yet the temperatures at 8 A.M., Thursday, were not low enough to make us believe that a hard freeze had occurred. In the meantime the next twenty-four hours had seen gradually rising temperatures, so that it will probably take another day or two before one can know how bad the thing really is. Speaking from the past, very often these scares are worse than the final results.

In view of possibly a changed situation that may have arisen, we want to take a fresh glance at the supply and demand picture. Broomhall still claims importers' requirements 496 million bu. This would mean at the rate of about 9 1/2 million bu per week. During the first fourteen weeks, world shipments have only been 8,928,000 bu, so that in order to fulfill his estimate there would have to be shipped during the next thirty-eight weeks 9,763,000 bu. We are led to believe that his estimate of 496 million bu based on these clearances is conservative. Carrying this thought somewhat further he has figured that Argentina might furnish 112 million bu and Australia 80 million bu towards the requirements. If we assume that the Argentine crop is moderately cut and that instead of producing 215 million bu, as many had thought prior to the frosts, they only raise possibly 190 million bu, then, of course, the exportable surplus would be cut by probably 25 million bu. On the other hand on basis of the last Australian estimate of 163 million bu that country could probably furnish close to 100 million bu for export, so that the Southern Hemisphere countries taken together might still have practically as much wheat as Broomhall had tentatively figured in his earlier estimate.

The overnight excitement was sufficient to create uneasiness abroad and the export takings of both Manitobas and hard winter wheats was very great. A good many hedges were removed from this market, and we think this was one of the reasons for comparative strength in December. It brought about a sharp advance, although a good part of the activity marketwise at least occurred at the opening, as naturally no one was willing to sell except at greatly enhanced levels.

Black sea shipments for the week were quite large at 4,344,000 bu, which included 2,140,000 bu of wheat shipped from south Russia. There are those who believe that from now on Russian pressure will decrease, but as a matter of fact it was only thought that total Russian shipments for the year would amount to about 32 million bu, and that country is not terribly far now from its goal.

Primary receipts today were 877,000 bu compared with 776,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease slightly in excess of one million bu. The chances are there will be a fair decrease in the visible supply again on Monday. Last year for the corresponding date the shrinkage amounted to 1,118,000 bu.

Toward the last the Buenos Aires market eased from the higher prices established earlier, which conveyed the thought that very likely they did not regard the frost damage as seriously as was earlier indicated. A late cable from the Argentine states that the minimum temperatures reached Wednesday night were 33 degrees at one point in the Buenos Aires province, 46 degrees in Santa Fe, 50 in Entre Rios, 37 in Cordoba, and 32 in the Pampa. Many reporting stations were considerably higher, and we think that after the horizon clears very likely the damage will be less severe than some of the

(O V E R)

first fears expressed.

December wheat was on tap on the bulge, apparently some liquidation taking place, although at the close it showed an advance of 3 5/8¢ per bu. There had been heavy covering of hedges, apparently against export business, and also some flour trade.

Corn was strong early in sympathy with wheat, but the government report issued late Wednesday was quite a bearish document, and with practically 90 million bu more corn than was estimated a month ago, it was believed that there would be sufficient for all purposes including a fair export demand. We believe with the smaller number of animals to feed that corn will have to stand on its own although, of course, the loan policy may prevent too large a movement from the country early in the season.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 13, 1937.

Liverpool closed 1/8 to 3/8¢ per bu higher than yesterday, and apparently had recovered from the fright occasioned by frost reports in the Argentine. It is not yet possible to state how much damage will result from the low temperatures of Wednesday night, and as a matter of fact tho official government report in that country states that while the frost damage in some places was extensive and was unfavorable for normal development of crops, it is impossible to establish definite losses yet. This was also borne out by private advices, although in the main it was felt that some of the messages yesterday claiming damage were grossly exaggerated, and that it might take some time yet before percentage estimates could be reached.

There was, however, a fairly good business yesterday in North American grains, and also a better demand for Australian wheat, which together with a reduction of 5,600,000 bu in the Canadian crop report last night prevented any serious declines in foreign markets.

Our market opened slightly lower, and apparently shorts had covered pretty thoroughly yesterday so that without much new outside buying, declines occurred rather easily. It was also felt by some that with warmer weather forecast in the Argentine and possibly some showers by Monday that no further losses should be sustained; meanwhile there may have been more damage to the quality of the grain than possibly to the quantity. There was no eagerness displayed on part of foreigners, and overnight business was rather flat, showing again how spasmodic the European demand is even in the face of some uncertainties. On the other hand, Russia is not a big factor at the moment, and undoubtedly with winter weather ahead shipments will dwindle down, at least until spring, so that a fair business from the United States is likely until the Southern Hemisphere crops starts moving in commercial volume; therefore, sharp breaks are not indicated.

We pointed out earlier in the week that futures had declined about 45¢ per bu from top levels, and that,therefore, the price around 90¢ for May wheat is debatable, so we are inclined to look for more two-sided markets than we have had thus far.

Primary receipts were 770,000 bu compared with 472,000 bu last week. Shipments were large --almost 2 million bu, and a good part of this we think consists of shifting of supplies prior to close of navigation. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 1,996,000 bu, Duluth losing the heaviest amount of wheat, which apparently is destined largely for Buffalo. The open interest in wheat continues to decline; contracts for combined futures were down to 102 million bu, apparently further liquidation having taken place on yesterday's bulgeby those who were long, and covering of hedges against export-sales.

At the last our December wheat which lost some ground on the May showed a decline of 1¢ per bu.

Corn showed further losses with new lows established for the season. Some of the reports now are extremely optimistic on yield, and States surrounding the Chicago district have undoubtedly done far better than in many years past. Despite the loan price there is still a fair movement to market, and with primary receipts as heavy as they are at present accumulations can take place.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 15, 1937.

Liverpool cables were quite weak this morning, closing quotations ranging from 2 3/4 to 4 3/8¢ per bu lower. The greatest weakness was expressed in the December future. Part of the weakness in Liverpool was due to an increase in stocks afloat of almost 2 1/2 million bu, totaling 31,232,000 bu this week against 28,584,000 bu last week, and 40,128,000 bu same week a year ago. There was also some talk of wheat having been worked from this country to Liverpool for delivery purposes, which is quite possible, as wheat from the United States is still the cheapest C I F Liverpool. Even in face of the decline at Liverpool this morning their December future is selling 31¢ per bu over ours, but any shipments from this country to the United Kingdom are subject to about 6¢ per bu duty.

For the first time in many years world shipments show no contributions from the Argentine, but this is not surprising in view of the temporary ban which had been put on exports from that country, but which has since been lifted. Nevertheless, in spite of the failure of the Argentine to ship wheat, world exports were heavy again, amounting to 11,771,000 bu versus 11,840,000 bu last week, and 11,883,000 bu similar week in 1936. Of this amount Russia contributed 2,140,000 bu. While we believe Russia will become less of a factor from now on, nevertheless from August 1st to November 11th she shipped a total of 22,872,000 bu, and will no doubt be able to equal the earlier Broomhall estimate for the entire season. According to Broomhall's original figures, weekly world shipments should amount to approximately 9 1/2 million bu per week. From August 1st to November 6th inclusive they have averaged 8,928,000 bu, although shipments the past few weeks have been running slightly under 12 million bu, and there should be no difficulty in averaging his quota.

The excitement from the frost damage in Argentina last week has died down considerably. While it is almost impossible to figure yet the actual damage done at that time, because as a rule crop scares are exaggerated. Over the week-end the weather there was reported as quite mild with some rains.

In this country over the week-end moisture fell in some parts of Kansas, although it seemed to have skipped the southwestern section of that state. There is some difference of opinion by map readers regarding the weather for the next twenty-four hours, but our own private forecaster believes there is a possibility of further precipitation.

Our market opened lower in response to cables, and also the weakness in Winnipeg. At the close December wheat showed a decline of 2 5/8¢ per bu. Export and milling demands are again very quiet. It seems as though the demand for export is very spasmodic, and we still believe that total contributions from this country will not be large enough to sufficiently cut into our surplus. For the past few weeks many have been disappointed in the differential between December and May wheat, but a great deal of December wheat was taken out of the pit recently against export sales. However, there is no urgent demand for red wheat, and with a 3¢ per bu carrying charge existing at present on corn from December to May we feel that the elevators can afford to be more independent, even if they should lose some wheat on delivery. Therefore, we are inclined to believe that the difference between December and May wheat will widen, but the outcome will finally depend on the actual amount of wheat delivered during December.

The visible supply shows a large decrease today, amounting to 4,316,000 bu against 1,400,000 bu a week ago, and 1,118,000 bu the same period last year. This now makes the total visible 114,648,000 bu, or 46,132,000 bu larger than in 1936. While this

(OVER)

decrease is heavy there has been a fair export business, and normally there is shifting of stocks just prior to close of navigation. Stocks in Chicago decreased 444,000 bu, and total at the present time 13,566,000 bu.

The corn movement remains large. Primary receipts today total 1,978,000 bu against 2,050,000 bu the previous week, and only 1,059,000 bu same week in 1936. The visible supply increased 5,542,000 bu against an incrdase last year of only 759,000 bu, and the total now is 14,721,000 bu, or approximately 10,000,000 bu more than a year ago. We expect to see the movement of corn continue.

Rye, while lower in sympathy with the other cereals, showed a little more independent strength, and according to the recent bulletin of the Bureau of Agricultural Economics, this country is again on an export basis for rye. Total exports since the first of July have amounted to approximately 2 million bu.

Fluctuations in oats were rather negligible.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 16, 1937.

Liverpool cables were quite weak this morning, and atthe close they had declined 5/8 to 2¢ per bu. This came about despite the firmness in the Buenos Aires market where wet weather in the North was said to be delaying harvest. There had also been fears expressed of a possible frost in that country tonight, but this was later denied. The latest estimate from a reliable source seems to indicate that the crop might turn out to be about 207 million bu. On that basis figuring 95 million bu for home consumption there would be about 112 million bu for export. In any event, Europe seems composed, and the export business overnight was again very dull with hardly any interest centering in our hard winter wheat.

The trade is now awaiting possible developments in Washington to see what type of farm bill will finally be enacted into law. Some are of the opinion that an emergency provision for compulsory production control might be urged during this session of Congress, although the President emphasized that additional revenue should be provided to meet any additional expenditures called for under a new farm program, and he has made no recommendations as yet as to how this revenue should be raised. In view of the fact that the winter wheat acreage has already been sown and that the total area under cultivation will be practically as large as last year any change next year will necessarily have to come in the spring wheat district; but there it would be less important, as only about one-third as much land will be sown as in the winter wheat territory.

We also consider an important item the large carryover which we shall undoubtedly have to deal with at the end of this season. It often occurs that the distribution of the wheat is more important than the actual number of bushels available. By this we mean that if next July we have just an average crop but a large carryover, it would probably be somewhat more bearish than a large crop with a small carryover, because buyers would be less eager for the first movement of wheat from the country, and with fewer holes to fill up hedging pressure would probably create the necessity for a large export outlet.

In the meantime, of course, there are many factors which will govern the general price level. Crop scares during February and March will undoubtedly play a large role, and for that reason there will be many swings, both up and down, before another crop is harvested. To play the constructive side of the market right now takes courage owing to the fact that a large export business from this country is not likely, as in another two months the Southern Hemisphere will be pressing supplies upon the market, and we believe in the interim European buyers will continue only from a hand to mouth basis.

Shortly after mid-session the securities market became very weak, and this was almost immediately an influence upon the wheat market, as earlier buyers became discouraged and liquidating orders came into the pit. Trade was light and towards the last a quick recovery brought a reaction, with December wheat closing 3/4¢ per bu higher.

Primary receipts today were 627,000 bu, somewhat larger than last week, and compare with 396,000 bu a year ago. Shipments were again heavy, and as is generally the case before close of navigation there is shifting of stocks. Supplies at Minneapolis; Duluth and Kansas City thus far this week show a decrease of 618,000 bu. As long as markets rema in nervous immediate fluctuations are difficult to forecast. The trade is guided each morning by Liverpool cables, and the amount of export business overnight. It is possible that on further declines Europe might be tempted to take larger quantities from this country, although their preference is for the very high protein wheat, which we can only furnish in fair volume.

Corn was not particularly active; the movement is picking up a little, although in receipts today at terminal markets of 2,197,000 bu over one million bu was included in Chicago. The writer was in Indiana yesterday where farmers all talk optimistically of their corn crop, and it seems that a fairly large percentage of the corn will be marketed in the usual way without taking advantage of the government loan.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 17, 1937

Liverpool prices closed very strong with advances of 2 3/8 to 3/4¢ per bu. Distant positions showed the greatest strength, in-uenced by another frost last night in parts of Argentina, and the uenos Aires market was also considerably higher. This being the case large Manitoba business developed, and while actual figures are dif-icult to get on Gulf business, we believe that a very good trade was ut through in hard winters, probably the best in some time. It is quite atural that a frost coming now on top of damage last week would scare oreigners, at least into buying immediate supplies, particularly as ong as Argentine prices are maintained at present high levels. In ther words, it is not likely that our market can break much unless here is considerable readjustment between the Buenos Aires price level nd our own; and on the assumption that there would be a better export emand in the near future shorts covered quite heavily which found the arket rather bare of offerings. It is true that thus far we have been low in getting into the export field. From July 1st to November 5th he net overseas exports of wheat and flour were 20,276,548 bu, and al-owing for an exportable surplus of about 173 million bu for the entire eason, there would still be available during the next 33 weeks close o 153 million bu. That would allow for a carryover on July 1st, 1938 f 125 million bu, which is considered about normal, and would permit eplenishing of stocks from the abnormally low carryover that we ad at the beginning of this season. We had thought sometime ago that he carryover into the next crop would be considerably higher than 125 illion bu, and we still do not change our opinion, except that we might ave to modify our views if the Argentine damage turns out to be more evere, which in turn would permit us to do a larger proportion of the oreign business. Canada will naturally be limited in the quantity that he can sell abroad with her visible supply 70 million bu smaller than ast year, although again the Manitoba buying overnight was of rather ubstantial proportions.

Since August 1st Europe has taken 17 million bu less wheat than ast year, while ex-European nations have taken about 13 million bu less. ast year the United States, who took substantial quantities, was in-luded in the list of ex-European nations.

It is still our belief that total world shipments this year will mount to about 500 million bu, which is in line with Broomhall's latest stimate.

Primary receipts today were 615,000 bu, much the same as last week, nd compare with 367,000 bu a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis decreased about 1 million bu. We ex-ect another fair-sized decrease in next Monday's visible supply, al-hough probably less than last week.

As the session progressed Winnipeg became very strong, and went p nearly the permissible limit for a single day's trading; this with broadening of the speculative demand gave new impetus to our market. t the last our December wheat showed a gain for the day of 5¢ per bu.

Immediate forecasts are somewhat difficult as they always are during weather markets. We are still mindful of what happened in this coun-ry last summer, although we appreciate that the price level is consi-derably lower now than it was at that time. Nevertheless bad news ravels more quickly than good news, and before taking a very positive stand we would like to know more about the actual damage that was sus-tained in the Argentine as the result of the several frosts. Some believe that owing to the fast rising thermometer after the frost occurred possibly the plant was not as severely hurt as one would imagine. The various crop experts themselves cannot give any definite opinions this early as to the final outcome. We presume as long as the Argentine price level remains so strong that few will want to take a bearish position. On the other hand, we have raised a large surplus over and above home requirements, and will need sustained buying from abroad to finally reduce the load that is being carried. Of course, with wheat below $1.00 per bu there are a number of people who undoubtedly will be willing to assume buying risks. As we have mentioned before in our letters, our markets are now more two-sided than they were before the Argentine damage set in.

Corn, as well as other cereals, were helped by the sharp advances in wheat, and were led to a higher close. There had also been a fair export business in corn overnight, which meant the removal of hedges. Moreover, the corn loan is preventing as large a movement to market as might otherwise take place.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
EW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 18, 1937.

About a week or so ago when the first frost damage occurred in the Argentine we stated that weather markets were always treacherous, and there has been nothing in the recent developments to make us change our opinion. The overnight weather in Argentina was more favorable, temperatures were slightly higher, and at 8:00 o'clock this morning they had risen considerably. One of the crop experts, who is now traveling in that territory, sent rather reassuring news, claiming that the recent frosts were light, and that it was uncertain whether or not additional damage had been done. We appreciate that in a sense frost is like lightning, and if it strikes with severity it can do untold damage, but on the other hand, with fair moisture in the ground and the soil not too chilled there is doubt in our mind whether a touch of frost is necessarily fatal. We still have in mind what occurred in this country last summer; both rust and heat damage was reported over such wide-spread areas, and the news at times was so sensational that traders were prepared for almost everything except what finally happened; namely, the largest winter wheat crop in fifteen years with the exception of 1931 when a crop of 825 million bu was harvested. Of course, the situation was different in that we had an enormous acreage, but few pointed to this fact but rather stressed the damage reports to an extent where prices rose almost 25¢ per bushel before a correction set in.

In our determination to be conservative we again point out that markets for the time being are somewhat two-sided, and the overnight swings seem to indicate that this policy is justified.

Liverpool closed with losses of 2 3/4 to 3 1/8¢ per bu. The weakness came about owing to declines in the Buenos Aires market, and also to some Australian selling which found new buying power inadequate. This in turn prevented much of an export business, and we heard of very little having been worked overnight either in Manitobas or hard winters.

Black sea shipments showed a dropping-off from last week, but still were larger than last year; they amounted to 2,744,000 bu, which included 1,832,000 bu from south Russia, and India also contributed toward world shipments this week with 544,000 bu being cleared. About 1 million bu were shipped fromArgentina, but we presume that most of this grain is destined for Brazil. During the week ended November 13th the Department of Commerce published figures of United States exports, showing 1,939,000 bu shipped. We believe that during the next six weeks Europe will take fair quantities of hard wheat from us, preferably dark varieties, but there is little probability of any demand for red wheat. Consequently, the Chicago situation very likely will not strengthen, as even moderate deliveries here will probably suffice.

Primary receipts were 508,000 bu compared with 426,000 bu a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 2,135,000 bu.

Our market opened weak, less fear being felt as to the outcome of the Argentine crop, and few hedges had to be removed as both milling and export demand was extremely quiet. At the last December wheat showed a decline of 3 1/8¢ per bu, and much of the enthusiasm of yesterday had apparently played out.

Corn was weak, and the May future touched the season's low. The country was a liberal seller, and dealers here reported about 250,000 bu purchased to arrive. It seems that elevators are laying in supplies to good advantage with a carrying charge of about 3¢ from December to May.

Rye was also somewhat lower. Exports are small and for the season to-date are only 2,184,000 bu. However, there seems to be no great pressure upon this market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 19, 1937

There was nothing in the overnight news to give us much encouragement in either direction. Liverpool quotations were firm for December wheat, while the distant futures were a shade lower. This was about as expected. However, there was no demand from abroad and without it our market seemed to sag as a few liquidating orders hit the pit.

It was also reported that Australian shippers were offering more freely now, and this together with improved weather in the Argentine prevented much bullish enthusiasm. Possibly some traders would take the constructive side of the market were it not for the fact that the economic situation is such that too many people in the country have become greatly discouraged. The action of the stock market mitigates against any normal buying power, which might otherwise be expected. Nobody can tell yet for sure how much damage has been sustained in the Argentine. A great many people are guessing and some think that because the crop was further advanced than ordinarily at this time of the year that possibly when the threshing returns come in the extent of damage may be fairly high; but the frost was spotted, and as we have pointed out earlier , it is impossible to have positive opinions on this question.

Australian prospects, which are less mentioned, seem to be well maintained, and according to a despatch from Washington this morning, the crop is expected to be approximately 163 million bu, which would compare with 150 million bu harvested last season. With this in mind foreigners seem satisfied to await further developments, and the cash demand in Liverpool today was extremely quiet.

It had been thought yesterday that additional moisture might occur over some of the southwestern districts, but there was very little overnight, and indications now are for generally fair weather over the entire district. According to the Modern Miller, highly beneficial moisture during the week was received over the greater part of Nebraska and eastern and northern Kansas, but the dust bowl in the latter state has had little or no rain and some complaints are already coming in now that the wheat has made a poor start. This is not being considered now as a market factor, although later could easily be an influence upon July wheat, which is selling at a big discount under the old crop months. Of course, conditions in the states East of the Missouri river are favorable, and it is too early yet to become too apprehensive, as heavy snows might bring about great correction.

Primary receipts today were somewhat lighter at 535,000 bu compared with 338,000 bu last year. Shipments are again heavy, and there was a large total decrease at Kansas City, Duluth and Minneapolis amounting to 2,629,000 bu; over half of this, however, was at Duluth, which we think may show up later at eastern lake ports.

Toward mid-session Winnipeg became quite weak, and our market also eased, although the volume of trade was small. The open interest does not vary a great deal from day to day, and it seems that new incentives will be necessary if outside buying is to be attracted in our market. With the lack of speculation it may not be easy to even maintain wheat around these levels, although on breaks we are convinced that a better export inquiry will develop.

At the last December wheat showed a decline for the day of 1 3/4¢ per bu.

Corn was weak and seasonal lows were established. The movement seems large enough to satisfy the demand, and still permit stocks to be built up. With fairly wide carrying charges bullish operations are somewhat handicapped.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 20, 1937

Liverpool did not follow our full decline, although closed 1 to 1 1/2¢ per bu lower.

There was said to be an entire absence of demand for cash wheat, and this did not help markets greatly, although a few Manitobas were apparently sold overnight. Demand for our grain remains quiet, and apparently Australian supplies will be pressing on the market shortly, so that Europe will probably continue a hand to mouth buying. This has certainly been the history of the case up to now, with our actual overseas exports of wheat and flour only 20,276,548 bu from July 1 to November 6, and as we pointed out recently would leave now 153 million bu to ship during the next thirty-three weeks.

Up to the present time Ruasia has actually shipped more wheat than we have, 24,704,000 bu having been cleared as of November 18. Making allowance for the variation of dates during which these figures were compiled, possibly we are about on an even keel. The chances are that from now on, with colder weather, Russia will be less of a factor and possibly for that reason more business will take place in our hard winters.

There was nothing inparticular to create market interest until Cromwell came out with his survey, cabling his house in Chicago that the southwestern areas of the good Argentine wheat territory were heavily frosted and the damage was greater than expected. He now estimates the crop between 185 to 195 million bu as compared with an earlier estimate that the crop would probably not be over 200 million bu. This coming at a time when the stock market showed some improvement apparently caught the market bare of offerings and there was an immediate advance of 3¢ per bu from the previous close, many people feeling that possibly declines had run their course for the time being at least.

It is true that the domestic milling demand is very quiet, but still there is a spasmodic demand on part of millers, at least by those who are making preparation for close of navigation and a considerable quantity of wheat is being shipped East. At the same time carlot receipts at most points are running rather light. Today, for instance, at Salina, Hutchinson, Wichita, Fort Worth and Enid, only 75 cars were received, and very likely the farmer who has sold quite a large proportion of his crop is now waiting to see if not better prices will obtain later. This in the long run is not particularly bullish, as probably most of the wheat will finally come out, but there is a decided holding tendency on part of farmers; and even at terminal markets there seems to be a fair amount of wheat stored with the expectation of higher prices later on. Should these not develop, then, of course, it might have the reverse effect when marketing operations finally occur. We cannot see a decided trend at the moment. If the economic situation were more encouraging, possibly more speculators would be inclined to buy futures here, but, of course, there has been a great deal of pessimism and Wall Street is hardly ever mentioned as a factor in making important purchases, as has been the case in times past. Therefore, it will mean that wheat must sell on its merit, and, of course, right now with the large visible supply, there is still a big load being carried. We expect quite a large decrease on Monday, but after close of navigation stocks at various centers will go down rather slowly. Last year, same date, the visible supply decreased 2,186,000 bu.

Primary receipts today were 625,000 bu compared with 770,000 bu last week and 492,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis thus far show a decrease of 2,945,000 bu.

At the last December wheat, which was the strongest, showed an upturn of 2 3/4¢ per bu.

Corn was also higher. Broomhall reports that yesterday and today ten steamers were chartered for American corn, of which seven were from the Gulf and three from St. Johns and Halifax. American corn now is 7¢ under Argentine and possibly this export business will be a sustaining influence at times.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 22, 1937.

The Liverpool market was unresponsive to say the least, closing quotations showing only an advance of 1/8 to 3/4¢ per bu, but this was rather insignificant considering our sharp upturn on Saturday. The main feature was the inactivity in cash markets abroad. Afloat stocks increased over 3 million bu, and world shipments this week were 10,794,000 bu compared with 11,771,000 bu last week, and 8,963,000 bu a year ago. We also had some advice from friends in Antwerp claiming that no business was being done at the moment, with a poor demand on part of millers, and that stocks of wheat were increasing. They further went on to say that they expected a general lowering of price levels owing to the fact that Russia and the Danube were pressing sales at the moment of some wheat afloat and that they also looked for some high grade Russian wheat to be offered later on, comparable to #2 Manitoba.

This news had even more of an effect upon Winnipeg than it did here, but with the weak stock market there was apparently much discouragement early, and there was less market buoyancy than last Saturday when buyers seemed to appear out of nowhere, being scared apparently of a reduced Argentine crop estimate, which today was nearly forgotten.

There had been some fair moisture overnight in the form of snow, but this was confined mostly to sections of Texas and Oklahoma; more is being looked for and may extend into Kansas and Nebraska.

In this connection it is interesting to note that according to some figures compiled by Sanford Evans, the average precipitation for Nebraska during October amounted to 1.84 inches compared with .41 last year, and 1.70 normal for that month. Oklahoma on the same basis showed 3.10 inches this season, against 2.95 in 1936, and 3.34 normal.

Nevertheless July wheat was about as strong as any of the futures, but, of course, it has been selling at big discounts recently under the May wheat, and possibly there were some arbitrages entered into today which narrowed the spread between July and May wheat. With a large carryover of wheat almost a certainty the end of the season, we would not be surprised to finally see July wheat selling at a premium over May.

According to the weekly grain letter issued by the United States Department of Agriculture, exports of wheat to the middle of November this season, total nearly 19 million bu; this is rather a discouraging showing as the best months of our export season will soon be over. They also claimed that the quality of the 1937 crop of hard winter wheat produced East of the Rockies is about equal to the average for the period 1934-36, and is slightly above that of last season, except for the factors "dark, hard, and vitreous kernels", and protein. They claimed that the crop of hard red wheat on the Pacific coast is of excellent quality, and superior in some respects to the 1936 crop. No mention is made of other varieties.

Primary receipts today were 763,000 bu compared with 668,000 bu last year. The visible supply decreased 4,352,000 bu; total stocks in various positions are slightly in excess of 110 million bu, or nearly 44 million bu larger than for the corresponding date of 1936. Chicago stocks decreased about one million bu, but there is still 12,515,000 bu here including the afloat supplies, which we consider sufficient.

At the last December wheat, which was relatively strong, showed a decline of 1¢ per bu since Saturday.

Corn was somewhat lower; not so much was heard of export business, although apparently Europe will be in the market right along, depending somewhat upon price. The visible supply showed a large increase of nearly 5 million bu, and total stocks are nearly 20 million bu now compared with only 5,801,000 bu last year.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 23, 1937.

After the grain market had closed yesterday the financial world received more or less of a shock with securities sinking into new low ground. Wheat traders have felt for some time that the load in this country is sufficiently large, with an inadequate export demand, to prevent anything in the way of great strength; but with such discouragement even the slight recovery from last week was almost wiped out again shortly after our opening this morning.

Liverpool closed 7/8 to 1 1/2¢ per bu lower, and it was reported by Broomhall that cash demand abroad was very small, and the only thing that steadied for a time the English market was that Argentine exporters were holding their prices very high, and they had even bought back futures already sold in Liverpool.

The fact that we have so little short interest is at times a depressing feature, and under 90¢ per bu for May wheat today numerous stop-loss orders were uncovered with air pockets reached, so that the decline was very rapid before new buyers could be found, There seems to be little inspiration on part of Wall Street people to make purchases now, and with our visible supply still 110 million bu, most of this wheat hedged, it naturally is a heavy load to be borne. At the same time for sentiment to be unanimously bearish may also prove a risk, because there seems to be an inclination to permit inventories of various lines to decline almost to the danger point. This is not particularly true of wheat, but we are convinced that in merchandising generally there has been a great change lately, and in many lines the swing has been accentuated because of the fear that earlier purchases based on inflation had been made in error. In other words, shelves that were over-stocked some months ago are now within much more reasonable limits.

As far as the gold situation is concerned, very little is being said about it, and probably still less of inflation. The fact remains that there has been some hoarding abroad secretly, but in fairly large quantities. In the meantime many of the reserve banks in Europe have larger stocks of gold than ever before, such as the Swiss bank, the Bank of Netherlands, and also the Bank of England. Even while there has been a drain, or rather an export movement of American gold, we are still accumulating it, and supplies are larger today than they were two months ago. It is also true that gold production is increasing very fast, the price remains steady, and the precious metal is accumulating. This is bound to have its effect some day, and therefore, inflation cannot be entirely discarded. However, the stock market at the moment does not indicate that this would come very soon; and it, therefore, seems likely in spite of more unemployment and general discouragement that the price recessions themselves may bring about a recovery, although it will take time and patience.

With this in mind we look at the price of July wheat at around the 84-cent level, figuring possibly that future may for a turn, at least, be purchased. The acreage sown to winter wheat is large, but yet the crop has many vicissitudes still ahead, and in any event, we believe that the new crop future represents the cheapest investment. From all outward appearances we shall have a very large carryover at the end of the season; therefore, finally a carrying charge from old to new crop is likely, and a narrowing process may take place later on during the period of crop scares.

The export business was again disappointing, with only a small volume of business done at best, and this in spite of the fact that many people still believe the full effect of the recent Argentine frosts will not be known until cutting starts in the southern half of that country. Unquestionably damage has been done, but it is early yet to make accurate estimates. The official production of the crop will not be made by the Argentine government until December 15th.

Primary receipts today were just moderate --492,000 bu, which was smaller than last week, and compares with 431,000 bu a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 807,000 bu.

From the low point of the day there were some recoveries, December wheat remaining relatively strong, with a leading elevator interest presumably taking in some hedges. The nearby future showed a decline of 1 3/4¢ per bu from the previous session.

Corn was weak at times, but also recovered. The cash basis was firm, and the movement is not burdensome any more, primaries being only about half as large as they were last week. With a little export business also going on we do not look for any very sharp recessions.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 24, 1937.

Early quotations at Liverpool were indifferent, but at the close an advance of about 1¢ per bu took place. The export demand was mostly for Manitoba wheat --about 250,000 bu being reported. Despite the very small Canadian crop, demand for Manitobas is pretty well maintained, and last week of the 5,301,000 bu shipped from North America only a little more than 2 million bu was from this country and the rest comprised Canadian wheat.

It is rather disappointing that our export sales are not enlarging sufficiently. Just to show how small the quantity actually is, total clearances from July 1st up to the present time are hardly any larger than our imports for the first 4 1/2 months of last season when we took nearly 19 million bu from Canada. In the meantime, we are coming closer to the period when South American competition will become more important. The largest importer of wheat is Great Britain, and according to Broomhall, will require about 212 million bu of wheat this year, including the Irish Free State, but up to November 6th there has been about 55 million bu of wheat and flour imported, or about 3 million bu more than for the corresponding period of a year ago. England is a country whose requirements are pretty uniform one year with another, and the fact that she has been able to get her pro rata supplies without straining herself probably accounts for the present indifference, suggesting that just a hand to mouth demand will continue.

Harvesting of wheat in Australia is progressing favorably, and arrivals of new wheat at elevators are increasing. This, according to Sanford Evans, is reflected in the visible supply, which increased 3,248,000 bu against only 2 million bu on the same date in 1936. Reports from the Argentine continue of a somewhat conflicting nature, no one being able to determine definitely how severe the frost damage was. Weather at the moment is clear, and the continuation is for same. Very likely harvesting will extend rapidly in the northern zone, but with apparently no carryover from the last crop there will be a good number of holes to fill in; therefore, exports will be insignificant until a much later period. There were some rather good rains lately in the southern part of Argentina, which are probably beneficial for the crop in that section.

A little more attention is being directed to weather in our winter wheat territory. According to the government crop report, very good growth in the Ohio valley was made during the week. In Kansas snow was beneficial in some parts, but the subsoil moisture continues generally deficient. In Texas and Oklahoma winter wheat made fair to good advance, although moisture is needed in some quarters.

July wheat is coming into a little more favor, and there have been some spreading operations recently by way of purchases in that month against sales of the May delivery on the theory that we shall have a very large carryover at the end of the season.

Primary receipts today were fairly good --567,000 bu, and this compares with 363,000 bu a year ago. Stocks so far this week at Kansas City, Duluth and Minneapolis show a total decrease of 1,650,000 bu. This threatens another large decrease in the visible supply next Monday, but of course it is mostly understood that quite a few changes are taking place prior to the close of lake navigation.

December wheat remains at a slight premium over May, but the open interest each day is being reduced. We still believe that finally December will weaken more as compared to other months, as we do not think industries will be inclined to take in much wheat and pay for it. There is no prospect, in our opinion, for red wheat bringing big premiums this year, and since the elevators can probably utilize their space so well for corn storage we would imagine that after close of navigation some tenders on contract will be made with this purpose in mind.

The market had several swings, many of them in sympathy with the stock market, and at the last May wheat showed a decline of 1/4¢ per bu. Most of the trade now is centering in this delivery.

Corn was not particularly active. The Argentine surplus remaining for export is reduced to a rather small figure, and, therefore, the surplus from this country should be in fairly good demand. While our crop is the largest since 1932, the movement to market is not burdensome, possibly due in measure to the corn loans. So far this season actual export clearances are small, but a fair business has already been done, and we think the chances are favorable for further expansion. There is a decree prohibiting exports of South African corn after December 15th.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 26, 1937.

During our holiday foreign markets were very weak; one of the reasons was the rather satisfactory reports that had come from northern Argentina, where the wheat harvest is now in progress. It was not expected that these early districts would yield very well, but according to the Argentine Government Communique it was stated that while substantial losses in that country had taken place, particularly in the southern zone owing to earlier frosts, harvesting was producing satisfactory results in much of the North.

The Buenos Aires market for several sessions has been quite weak as a result of this news, although prices are still very high compared with competition. Since last Wednesday values in Liverpool have declined from 3 3/8 to 4 5/8¢ per bu. Part of this may be attributed to lower freight rates, as well as additional pressure from Australia. In any event, it was a foregone conclusion that prices here would suffer, and lowest figures were reached at or near the opening with some disappointment expressed because export business was not enlarging sufficiently to help us cut down our surplus supplies.

There was about 300 to 400,000 bu of hard winter wheat sold overnight, but taking a long range view from the beginning of this crop season to November 20th, the actual overseas exports of United States wheat and flour amount to only 22,314,418 bu. On that basis there is still available for export during the next 31 weeks in excess of 150 million bu, which would leave us with a carryover next July of 125 million bu. As time goes on and the Southern Hemisphere movement draws closer it is quite apparent that we shall not be able to get our carryover reduced to the figure just mentioned, owing to the fact that in another five or six weeks sales from this country will prove more difficult provided Argentina and Australia come through according to present promise.

Of course Canada will be a very minor factor. Although actual exports since August 1st, which is the beginning of their crop season, to November 20th, amounted to 38 million bu, which is an average of 2,379,000 bu per week, it leaves only 46,280,000 bu yet to ship, allowing for a carryover on August 1st of 35 million bu. On that basis, clearances would become smaller from now on, as it only leaves about 1,288,000 bu to ship weekly until another crop is harvested. At the lower level some Manitoba business was put through during the last few sessions, and Europe still likes this high grade wheat for mixing purposes.

Since the first of August total world shipments this year to both Europe and non-European countries have been 147 million bu compared with 175 million bu the previous season. There is still some wheat coming from Russia and the Black sea; combined shipments for the week were 2,312,000 bu, which included 1,680,000 bu shipped from south Russia. Australia is not yet important, only 978,000 bu were furnished from that country this week, which was slightly less than a year ago. Argentina was a negligible factor, and will probably remain so as there is only about 4 1/2 million bu surplus wheat left from last year's crop.

Primary receipts for two days were slightly over 1 million bu against 534,000 bu in 1936. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 2,321,000 bu.

Toward mid-session values tended higher, a better securities market improved sentiment; some reasoned that our market was still cheap compared with Buenos Aires, Winnipeg, etc., and that further readjustments might occur. Even after the sharp declines at Buenos Aires, their March wheat is still selling at around 99¢ per bu, or at a premium of about 9¢ per bu over Chicago. Should they care to engage more heavily in the export trade they will probably have to sell closer to our level, and this may come when their movement gets more under way.

At the last our May wheat showed an advance since Wednesday of 7/8¢ per bu.

Corn was rather indifferent. We have probably seen the peak of the movement; it is now estimated that the Argentine exportable surplus is about 41 million bu compared to 119 million bu same time a year ago. Therefore, Europe will be interested in our grain, and we do not feel like pressing the market on breaks.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 27, 1937

The grain news before our opening this morning was mostly bearish. First of all, quotations at Liverpool were rather unresponsive, considering sharp reactions that took place here yesterday; and at the last the English market had advanced only 7/8 to 1 3/4¢ per bu, which was not even a full recovery from the loss sustained yesterday. Furthermore, Buenos Aires market closed about a cent lower, and Broomhall now claims that it is too late for rust to do much damage in the northern section and he is not alarmed about the final outcome.

The last United States government report, in discussing the Argentine crop had figured that 230 million bu might have been a fair estimate, but this did not take into account the loss from frost injury. The latter, it was suggested, might prove to be as much as 30 million bu, which would still leave a crop of about 200 million bu compared with 249 million bu last year. They also go on to state that complete findings will take time yet to estimate in regard to frost damage. There are some other interesting data contained in the same federal pamphlet, one of them being that the disappearance of wheat from July to the end of September was only 195 million bu compared with 236 million bu for 1936; and while not so stated in definite terms we believe it is significant as so many people had figured that with the considerable amount of low test wheat, it would require extra quantities to produce flour. The statement claims that the reduction is due partly to smaller feeding and also reduced milling during the first two months of the crop season. Figuring that possibly we shall export as much as 95 million bu of wheat, they go on to say that the carryover finally on July 1, 1938, will exceed 200 million bu and that supplies of hard and soft red winter wheat and white wheats are considerably in excess of domestic requirements.

It is also interesting to note their idea of prospective supplies, and distribution by classes at the end of the crop season, as compared with similar figures as of July 1, 1937. These are listed below:

			MILLION BUSHELS	(WHEAT)			
	Hard	Red	Spring	Durum	White		Total
This Year	65	77	25	6	40	-	213
Last Year	45	15	18	3	10	-	91

It is apparent from the above that we shall carry over about five times as much red wheat as last year, and it is not likely, therefore, that the demand for this particular grade should bring any big premiums for the remainder of the crop. We have been claiming this for sometime, feeling that the red wheat situation will finally force a carrying charge from old to new-crop position.

Primary receipts today were rather small, 424,000 bu compared with 340,000 bu last year. So far this week Kansas City, Duluth and Minneapolis showed a total decrease of 2,797,000 bu. We expect a rather large shrinkage in the visible supply on Monday. It will compare with a decrease of 492,000 bu last year. May wheat at the end of the session lost most of the early advance and closed 1/4¢ per bu lower. We feel that unless there is a much better export demand still lower prices will be witnessed.

There was not much feature to the corn market-- in fact, quotations at the last were very little changed from the previous day and there seems to be a little export demand right along, which is a sustaining influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 29, 1937.

Liverpool wheat cables were inclined toward further weakness, values at the last showing losses ranging from 1/2 to 1 1/2¢ per bu. Most of the weakness was in the December future, this being influenced by the continued lack of millers' demand, also liquidation, and there seems little confidence in prices despite the fact that there had been a few rains in southern Australia, where they were not particularly wanted. Early reports indicated that the foreign demand was but small, and we believe that the business both in American hard winters and in Manitobas was just scattered, Europe apparently being willing to wait until the Southern Hemisphere crops come to market in commercial quantities.

World shipments this week were slightly over 9 million bu, and the amount on ocean passage showed a decrease of about 4 million bu. The latter it seems is due mostly to the fact that Europe has been buying just sparing amounts, and they are watching Argentina conditions closely, probably satisfied that quite a few estimates recently indicated the total crop might yield about 200 million bu, which is not so bad considering the recent frosts. Up to the present time, starting from August 1st, Russia has been quite a factor, and total shipments from that country are slightly over 26 million bu. So in doing that quantity of business it has probably diminished what might otherwise have been sold from this country.

It is still too early to discuss next year's crops, and yet the time will pass quickly between now and spring; therefore, we mention the Canadian moisture situation, which is probably the best in a good many years. It is rather fortunate that Nature has been so provident, because after the great drought of last summer some concern was expressed as to what might happen to the 1938 crop. Should the outlook later on be exceptionally good, then, of course, there is no particular reason why Canada should even carry over 35 million bu, as most statisticians believe now for a nominal safety factor. We remember in the past many seasons when a high price in Canada brought out the last few bushels, so that the Manitoba business might still be a factor later on. In the meantime, of course, the largest quantities for importers' use must necessarily be furnished by Argentina and Australia, unless Europe decides to come to this country.

When statistics were published today it was found that the visible supply showed a heavy decrease again, although it had been expected. The shrinkage amounted to 4,501,000 bu, and total stocks in various positions are now 105,795,000 bu, or about 40 million bu larger than a year ago. Chicago stocks, including the amount afloat, after today's decrease of 676,000 bu show that there are nearly 12 million bu still here, but despite this fact the December wheat was very strong, and hedgers in outside markets apparently were scared that deliveries might not be as large as had been previously expected, with the result that the nearby month gained on the other futures.

Primary receipts were 671,000 bu compared with 476,000 bu in 1936. There was not a very heavy volume of trade, but some inspiration came from the fact that this was the calendar day of the year when purchases generally are advisable, and those who listen to the proverbial "Voice from the Tomb" were apparently of the opinion that this year might not prove an exception in regard to higher prices being witnessed. We, ourselves, are a little bit skeptical owing to the fact that such a heavy load is being carried, and that the export demand since July 1st has been so disappointing that actual clearances were smaller from this country than they were from ~~Canada.~~ Russia

At the last May wheat was unchanged from the previous close, while the December future showed a premium of about 1¢ per bu.

There was not a very large trade in corn, although some liquidation, and the nearby month broadened its discount under the later deliveries; December corn made a new seasonal low, and the movement from the country seems to hold up fairly well --more than twice as much being received as on the same day last year. There was alittle export trade, but this was hardly sufficient to be a market factor.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 30, 1937.

Liverpool wheat cables were again weak, closing quotations showing a loss of 1/2 to 1 1/2¢ per bu. The greatest weakness was shown in the nearby future. This weakness in December was caused by the absence of millers' demand and also fears of good-sized tenders of Australian wheat against December contracts. The December future in the Liverpool market made a new season's low today, and has lost about 13¢ of its differential over Chicago.

Further rains have occurred in South Australia. The export demand from this country is exceedingly dull and foreign buyers seem inclined to await the final outcome of the Southern Hemisphere before making any heavier commitments, although there was about 1/2 million bu reported sold from this country today for export.

According to Broomhall's earlier figures, he estimated world requirements of 496 million bu. During the first four months world shipments have reached about one-third of this amount, or 156 million bu, leaving a balance of 340 million bu to be supplied in the remaining eight months. He further estimates that between January 1st and July 31st Australia could furnish 69 million bu of wheat, and for the same period Argentina could furnish 83 million bu of wheat, or a total of 152 million bu. According to his figures this would leave a balance of 188 million bu to be supplied from other sources, which we think could be made up as follows:

Allowing for a carryover of 35 million bu in Canada, that country still has available for export approximately 46 million bu. Broomhall estimates the Danube has 47 million bu; his earlier estimate for Russia allowed them 32 million bu, of which they have shipped approximately 25 million bu to date, leaving a balance of 7 million bu; India and sundry countries, around 8 million bu or a total of 108 million bu. This would leave about 80 million bu to be furnished by the United States the balance of the crop-year. However, up to the present time exports from this country have only totaled around 23 million bu, and, therefore, we would have to do a much better job in shipping wheat abroad than has been done to date. Even if we should furnish the amount indicated by the above figures, there would still remain a carryover of around 200 million bu in this country on July 1.

Liquidation of December wheat was in evidence today, with the consequence that the difference between the December and May futures, which yesterday closed at about 1¢ premium for the December, narrowed to around 1/4¢.

Under the new regulations intentions to deliver are not finally given out until after 1:15 P.M. The final tenders for delivery tomorrow are 140,000 bu of corn, and no wheat. Intentions to deliver in Kansas City were 845,000 bu of wheat, and 25,000 bu of corn.

According to statistics, total stocks of wheat in Chicago amount to 11,839,000 bu. Of the total of 809,000 bu in public state elevators, 305,000 bu is #2 red. In Federal warehouses, stocks total 7,069,000 bu, of which 872,000 bu is classified as contract grades. Of this latter amount, it is impossible to obtain figures as to what percentage is red wheat and what percentage is hard.

Primary receipts today were 311,000 bu versus 197,000 bu a year ago. Stocks so far this week at Kansas City, Duluth and Minneapolis show a total decrease of 263,000 bu.

At the close May wheat showed a decline of 3/8¢ per bu, while the December was 1 1/8¢ per bu lower.

Corn again established new lows for the season, but with the possibility of doing export business, and in view of the corn loan, we do not care to press the short side at this level, although the movement from the country continues in fair volume. Primary receipts of corn today totaled 1,299,000 bu against 606,000 bu in 1936.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Dec. 1, 1937.

First quotations at Liverpool were weak, and December wheat in that market made a new low, being influenced by heavy tenders of Australian wheat. These deliveries were readily absorbed and prices rallied sharply, showing a final advance of 2 to 2 1/8¢ per bu. The fact that steady prices prevailed in the Argentine may also have been a sustaining influence.

Our market opened higher and the export sales reported late yesterday were quite substantial, with further business this morning, Germany being credited with having taken about 800,000 bu of American wheat, which apparently was a new factor in the situation. This, however, is not altogether surprising, as the U. S. Department of Agriculture had figured right along that Germany would require about 28 million bu of wheat this year compared with only 23 million bu imported the previous season. There was, however, also mention made of some red wheat purchased from Kansas City to be shipped to Mexico, and altogether sentiment improved considerably overnight. The fact that December wheat also showed strength must have been a factor, as were also heavy rains in South Australia, which have caused fears that the quality of the wheat will be somewhat affected in that territory, although otherwise harvest reports are satisfactory.

At the moment Australian wheat which is afloat is being offered at about $1.18 1/2 per bu CIF England, and while this on the surface appears dearer than hard winter wheat, it enjoys a preferential duty of 6¢ per bu, which puts it about in line for export into England. We have been of the opinion for sometime that during the next four to six weeks the business from this country would be fairly good until the Southern Hemisphere crops moved in greater volume.

It is to be noted that of the 5 million bu or so shipped from North America this past week, 47 per cent was contributed by this country by way of wheat and flour, or about 2 1/2 million bu. Recently Europe has discovered the excellent quality of the western crop of the United States, and England particularly has taken fair quantities of dark hard wheat for mixing purposes. Since August 1st European countries have taken 16 million bu less wheat and flour than for the previous year and non-European countries about 14 million bu less, but the latter is practically cancelled out as this was equal to the amount of our imports thus far in 1936, when we were taking large quantities from Canada.

We still believe, however, that Broomhall's figures on probable world requirements are about in line. The world visible supply of wheat is now 28 million bu smaller than a year ago; supplies in the United States are 40 million bu larger than they were at that time; likewise supplies in the U.K. are slightly larger. The reduction is mostly in Canada where the visible is about 61 million bu smaller.

Primary receipts of wheat today were rather small, only 325,000 bu, but this compares with even a smaller quantity last year, when only 214,000 bu were received. So far this week Kansas City, Duluth and Minneapolis stocks show a total decrease of 1,609,000 bu.

At no time was our market very weak, although there were reactions from the high point of the day, despite the fact that December wheat in Winnipeg ruled very strong. We do not attach any particular significance to this, nor do we feel that it is more than a psychological determinant at times upon the minds of traders. If Canada had very large quantities for export, and would withhold more wheat from the market by raising the price out of line with competition, of course, it would be a different story.

At the last May wheat showed an advance since yesterday of 2 1/4 per bu.

Corn was slightly higher, and further sales were reported from the Gulf to Rotterdam, but the quantity was not very large. There was a further widening of the carrying charge from December to May; taken on the whole we do not see that much can be gained from speculative commitments in this cereal at the moment.

Oats were firm and rye was higher in sympathy with the strength in the leading cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 2, 1937

First quotations at Liverpool were somewhat lower as Russia had resumed offering of nearby wheat, and two cargoes were proffered for December shipment and one afloat had already been sold to an English miller. Shipments during the week from Russia were 960,000 bu, but from the Black sea 1,160,000 bu, so that despite the season of the year there were fair contributions from Danubian countries; with this the case export business from this side was extremely quiet. The last quotations abroad, however, showed gains of 1/8 to 1 1/8¢ per bu, possibly influenced by the up-swing which took place here and the even greater strength at Winnipeg.

We had direct information from a reliable source in the Argentine that damage to the wheat crop had been grossly exaggerated and they contended that there would be an exportable surplus of about 3 million tons of wheat, which is approximately 110 million bu. If this is correct the total crop is close to 200 million bu, which has been the figure that we had mentioned in our recent letters. The new wheat is commencing to move in moderate volume in the northern provinces, and, of course, will continue, except that weather recently has been unsettled and it will be a few weeks yet before harvesting is on in full blast. Some claim that yields in the North have been better than anticipated, which will offset losses in the southern half occasioned by frost.

Despite the fact that momentarily demand is very poor both for domestic and export grades, we feel that until Southern Hemisphere offers more freely there may be a better European demand for our product. The government gives grain exports for the month of October of wheat and flour at 9,237,000 bu. Of course, this may include some Canadian wheat from this country; therefore, we are more interested in the actual overseas exports, which from July 1 to November 27 amounted to 23,867,873 bu, and would still allow during the next thirty weeks shipments slightly in excess of 149 million bu, provided we wish to carry over 125 million bu into the next crop. It is also interesting to note that in three months over half of the export business was done through one port: namely, Galveston, and, therefore, we might expect that later on heavier shipments from the Pacific coast might result as they still have large supplies in that territory.

Canada, of course, will not be a big factor, and we have pointed out many times that due to the small crop in the thirty-five weeks until they have another harvest they will only be able to ship 1,228,000 bu each week, provided they wish to carry over as much as 35 million bu on August 1. Winnipeg was very strong today and at times was an influence in our market. The balance remaining for export and carryover in that country is about 82 million bu smaller than last year, and, therefore, the importing world will have to look to other sources for heavy supplies. We do not pay as much attention to their price level as in ordinary years.

Primary receipts today were 346,000 bu compared with 290,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 2,431,000 bu.

During most of the session prices were higher. Local sentiment is extremely bullish now, because it is believed that foreigners may have to buy in greater quantities here, pending harvesting operations in Argentina and Australia. One of our friends during the session cabled us from Rotterdam that the firmness on this side was incomprehensive. He also called attention to the fact that Russia was again offering grain more freely, and that Australia wishes to start selling supplies from her new crop. Demand over there continues from hand to mouth, and this party believes that Germany is not likely to continue purchases at the present time, particularly if prices tend higher.

At the last May wheat showed an advance of 3/4¢ per bu. December wheat was strong, and further undoing of spreads on part of hedgers was apparently the reason for the widening.

Corn was influenced by some export business, and the strength in the leading cereal; foreign inquiry, however, was very modest. Primary receipts are about twice as large as they were a year ago at this time, but, of course, we had a poor crop in 1936. We do not see much trend to the yellow cereal, and undoubtedly higher prices would bring about heavier offerings from the country.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 3, 1937

There was no surprise in Liverpool cables this morning, coming just about as expected. They closed 1 1/2¢ per bu higher for the December delivery, and about 3/8¢ per bu higher for the deferred futures. The strength in December was due to lack of tenders.

Shipments from the new wheat crop are starting from Australia. This week they cleared 2,876,000 bu, and their interior movement is quite heavy. Their visible supply increased over 17 million bu during the week, and is now about 30 million bu. During last year for the same period their visible supply increased only 7 million bu.

There were some scattered rains reported in parts of New South Wales, which may tend to retard the cutting of wheat. However, this probably will be of no great consequence, as they have a sizable quantity now in position to make liberal shipments.

Argentina is still considered as "old crop", shipments being only 386,000 bu this week, although we have some advice that some early shipments will be made from that country, but do not believe that they can be in commercial quantities for a while. That market remains at quite a premium over other wheats considering their quality, which, of course, keeps them out of any definite competition. As long as this continues, there are many in this country who are wondering whether it might not send European buyers to this country for their nearby supplies. Broomhall estimated today that Argentina would have only about one million bu per week during 1938 for European countries, together with about 40 million bu for the year to Brazil and other non-European nations. He bases his estimate on a crop of 194 million bu, and assumes that 102 million bu will be required for home consumption, which is more than is generally figured, but claims this is due to the gradual increase in population, with a consequent increase in bread consumption. Of course, this year they ran so low on their stocks at the end of the season that it is quite possible they will need more than normal for home requirements. Other authorities believe that the surplus will be in excess of 92 million bu, and that it will be at least 100 to 110 million bu.

It is always interesting to note the apparent consumption in Europe. For the season 1936-37, it is estimated that importing countries had a disappearance of about 1,450,000,000 bu compared with 1,540,000,000 bu the year before, and an average during 1927-31 of about 1,570,000,000 bu. These figures are exclusive of changes in the carryover, and we venture the opinion that last year's small disappearance was at the expense of a carryover, which we believe was reduced over 80 million bu.

The consumption in countries of Europe designated as "exporting", does not change greatly, as they are smaller consumers, and take about 350 million bu per year. This year imports into all of Europe are estimated at 408 million bu by Broomhall, which would be small, but the fact that Germany is taking great quantities of wheat and rye from farms to be fed to humans and replacing it with imported corn, makes an apparent small consumption in Europe.

This leads to the belief that we might do a substantial corn exporting business this year, especially considering the fact that our corn is so much cheaper than Argentine, which country is supposed to be pretty well exhausted until the new crop starts to move next April. Today's corn export sales were reported at about 400,000 bu, with some indication that the quantity greatly exceeded this.

It is reported that about 400,000 bu of hard winter wheat was sold to Europe today. Canada, however, reported no business.

Primary receipts were 386,000 bu compared with 489,000 bu in 1936. So far this week stocks at Minneapolis, Duluth and Kansas City show a total decrease of 3,052,000 bu. With navigation soon closing we doubt whether this shifting of supplies will last much longer.

There were periods of great strength during the session, sometimes in sympathy with the great firmness in December wheat, and also the higher stock market encouraged traders, but at the last May wheat was little changed from the previous session.

Corn was fractionally higher; December is gaining somewhat on the May, possibly elevator interests are putting their hedges now into the deferred months.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 4, 1937

Closing quotations at Liverpool showed some concern over the impending movement in Australia, with losses of 1 1/4 to 1 3/8¢ per bu being registered.

We had a private cable from Sydney, Australia, this morning, claiming that their market was weak and heavy and not following upturns in other parts of the world. They also claim that farmers would sell freely on any advance, and that at the present time charters have been made for fifty boats to carry wheat between now and February. This apparently is an indication that the crop must be a fairly large one, otherwise the farmer might hold on more tenaciously to his grain. The latest government estimate indicated a yield of 163 million bu. One of our friends in that country is of the opinion that the final figure may even exceed early estimates. The two largest sections are New South Wales and Victoria. Some believe that the former may produce as much as 58 million bu, which is about 10 million bu larger than the Government estimate, while Victoria might raise as much as 46 million bu,or 6 million bu over the government figures.

There is at the present time some concern over the Argentine crop, but yields in Cordoba are now better than had been expected and are running close to 10 bu per acre, while the first yields in Entre Rios are 11 to 12 bu per acre, although other sections are disappointing. It is still considered likely that the exportable surplus from that country will be in the neighborhood of 100 million bu. Regardless of whether the outcome is a little bit more or less there is bound to be great pressure within four to six weeks; and this probably explains the rather limited demand for the U. S. wheat at the moment.

In the meantime primary receipts since the 1st of July have amounted to 248 million bu versus 149 million bu last year, and 164 million two years ago. This has placed a rather heavy burden upon our market, particularly as the speculative demand is not overly keen, and unless new incentives arise we doubt whether it will be very easy to boost the price level very materially. At the same time December is generally a month when bullish activities take place. The movement from the country is light, and, therefore, new pressure upon the market is unimportant.

We would be inclined to take a more constructive view were it not for the fact that the amount of hedges in the market are still large, and unless export demand broadens we shall enter the new year with much more competition than we have had up to now. Canada is hardly a factor as she ordinarily is at this time of the year, and this has enabled us to do some of the business which might otherwise have taken place from that country. It is, of course, true that the Russian shipments will probably diminish, and in this connection it is interesting to note that to-date they have furnished over 27 million bu towards importing requirements.

Primary receipts today were 326,000 bu against 344,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a total decrease of 3,584,000 bu; undoubtedly we shall have a large decrease again in the visible supply on Monday; this will compare with a shrinkage of 3,379,000 bu a year ago.

Trade on the whole was rather light, and nobody seemed anxious to venture very far in either direction. At the last quotations on May wheat were unchanged for the third successive session, which demonstrates that traders do not have very strong convictions at the moment.

Corn was slightly higher, and they talked about 300,000 bu of export business having been worked. As long as this continues we believe that the line of least resistance will be on the upward side.

UHLMANN GRAIN CO.

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
EW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Dec. 6, 1937.

In view of previous expressions contained in our earlier market letters dealings with inflation, we are sometimes asked whether one can make future calculations ignoring that feature. In answer to that, taking also into account present commodity prices, we would say that our monetary mechanism is set for a further increase of prices at sometime which no one can now predict, simply as the result of devaluation and the great potential expansion of bank credit now unused. This would be particularly true if international conditions were favorable to a general increase in the price of basic commodities. There is as yet nothing to indicate immediate concern, although, as stated before, it is bound to take place finally, and therefore should never be forgotten.

Liverpool's closing prices today were strong, advances of 1 5/8 to 1 3/4¢ per bu being established. This was due almost entirely to the strong quotations from the Argentine, where wet weather has been a factor. Many now contend that frost has taken a heavy toll in the southern districts and that this will finally result in a poorer crop, despite good results in northern sections, where harvesting returns exceed earlier expectations. One of the local crop experts, who is now traveling in that country, came out with a rather bullish resume, and this also had its effect upon wheat values here, with opening prices considerably higher than at the close on Saturday.

World shipments this week were quite large at 12,271,000 bu, and the amount on ocean passage showed an increase of nearly 4 million bu, but a large percentage of this week's shipments were destined for the Continent. Besides that there were purchases of two Russian cargoes afloat by Continental buyers, which possibly lent some strength also to the Liverpool market; but peculiarly enough the export demand from this country was almost flat. This is generally the season of the year when steady markets prevail. There is time yet for last-minute crop scares both from the Argentine and Australia, although little is being reported from the latter country right now, and to our knowledge none of the American crop experts have gone to that country.

We have heard a great deal of comment about the poor quality of wheat this year and how it would require larger amounts to produce the same quantities of flour. In this connection, it is interesting to observe from the official U.S. reports that during the four months, July through October, eleven hundred of the larger mills reporting to the government showed that they had ground nearly 165 million bu of wheat and that the pounds of wheat per barrel of flour amounted to 276.4. If this be compared with last year, when presumably the quality of the wheat was much better, during the same period 167 million bu of wheat were ground into flour, and at that time the number of pounds of wheat per barrel of flour amounted to 276.3; therefore, not a great deal of contrast in these two years. In very many years we can remember somebody was afraid that the amount of wheat unfit for milling purposes was so large that special cognizance had to be taken of that factor, even to the extent that the quantities available for export would have to be reduced. We have seen this a good many years also in the Argentine, but in the final analysis processors and elevators are pretty well able to cope with the situation, so that in the long run the quantity is the big factor.

The visible supply of wheat showed a very large decrease, amounting to 5,530,000 bu, and total stocks in various positions have been reduced to a little over 100 million bu. This amount is still nearly 38 million bu larger than last year. We figure that decreases from now on will become smaller with navigation practically closed. Primary receipts today were 605,000 bu versus 654,000 bu a year ago. Chicago stocks of wheat last week decreased 322,000 bu, and the total here in elevators and afloat amounts to 11,517,000 bu.

Most of the excitement was early in the session, and after a considerable bulge there was some reaction in prices, even the December wheat, which had been the leader recently, showed less buoyancy as compared to the other months. May wheat closed at an advance of 1 1/2¢ per bu.

Corn was somewhat higher. There is a fair export business from both Atlantic and gulf ports to the United Kingdom and the Continent, and we are rather inclined to feel friendly to this cereal. The primary movement is not particularly large, but of course this might change if the price level advanced considerably. Total visible stocks increased to nearly the 25 million bu mark.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Dec. 7, 1937.

Steady prices at Liverpool marked the opening, influenced chiefly by the absence of Argentine offers, but later on easier prices ruled, with Australian freight rates reduced so that wheat from that country was close in line for delivery in England. At the last there were losses of 1 to 1 1/8¢ per bu. Likewise, export demand was very small and on the whole demand appeared limited, particularly for business in hard winters.

The chief bullish incentive recently was the strength in the Argentine, and although heavy rains occurred again in that country, less attention was paid to this factor today, as many were of the opinion that probably the worst of the news had been known. It often happens that during periods of crop scares great exaggerations take place, and although we have no doubt that frost damage may have cut the crop considerably, we still can hardly conceive of the export surplus being as small as some are now led to believe. On the other hand estimates on Australian production have been increased somewhat, and we should not be surprised if finally the crop would yield over 170 million bu. If this is the case fairly heavy Southern Hemisphere shipments will take place after the turn of the year, and anticipating such a movement we cannot become very bullish at the moment. We recognize that it may take patience, but with the speculative demand so poor, we doubt whether very high prices in any event should be expected and finally the carryover from this crop into the next one will probably be sufficient to give us a carrying charge from May to July.

There were reports of fairly good moisture in parts of the Southwest, mostly in the form of snow; and our weather man was of the opinion that this would continue. As a matter of fact during the session a number of places in Kansas reported snow falling, and this we believe is beneficial as a large part of that state had complained of subsoil deficiency.

The amount of wheat held in all positions in Chicago is still fairly large, 11,517,000 bu at this time compared with 7,406,000 bu in 1936. In view of the fact that so many of the mills in the East have anticipated their requirements and have shipped from southwestern points, as well as from Duluth, what they might need during the winter months, we figure that the visible supply from now on will decrease but slowly. It will be interesting to see what figures the government gives us later in the month, both as to the final yield of the crop, and also on prospective acreage planted. A great many people are concerned that because movement from the country is light right now, the crop was over-estimated, but we doubt whether this has been the case.

Primary receipts today were 337,000 bu compared with 532,000 bu last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 145,000 bu .

There was absolutely no feature to our market; apparently all those who had been bullishly inclined had previously made their purchases with the result that when hardly any outside buying power developed, there were a few liquidating orders without attracting much local support.

May wheat at the last showed a fractional decline, closing 7/8¢ per bu lower. There was very little changing between various months, and on the whole not a great deal of news to influence traders much one way or the other. We are afraid that for the time being possibly we shall have trading markets of this sort.

Corn was not active either; in fact, most of the cereals were more or less neglected, and although the export business for corn keeps up pretty well it is not having much of an effect yet marketwise. Declines which took place early were largely in sympathy with wheat, but we feel that corn has merit, and at present levels consider it a fairly safe investment purchase.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 8, 1937.

Late last night the Department of Agriculture estimated the Argentine wheat crop between 175 to 185 million bu, based on field inspection by department representatives. This supposedly took into account damage suffered from frost and drought. The trade, however, had been more or less prepared for estimates this low and it had little or no effect upon prices in Liverpool this morning, where as a matter of fact there had been considerable selling at times during the session owing to the fact that there were free offerings of Australian wheat; the market on the other side continued easy, final prices showing a loss ranging from 3/4 to 1 1/2¢ per bu.

Strangely enough the world wheat visible supply has not varied much recently, and Broomhall now places it on December 1 at 257 million bu, which is just about the same as it was a year ago at this time and compares with 254 million bu on November1 of this year. The only country showing a large reduction from the previous season is Canada, where supplies in the visible are 58 million bu smaller than in 1936; but to offset it other countries have larger stocks.

Since August 1 world shipments to European countries are about 15 million bu smaller than the previous season and to ex-Europe also about 15 million bu smaller; but in view of the fact that the United States took about 15 million bu of wheat up to this time a year ago from Canada, the amount under the classification of non-European countries is about offset. As we pointed out on Monday, North America this week contributed rather heavily toward world requirements and more than 50 per cent of this wheat originated in the United States.

Actual ocean shipments of wheat and flour to date amount to about 26 million bu, which still leaves available for export during the next twenty-nine weeks close to 147 million bu, or average weekly shipments of 5 million bu, which would still leave us with a carryover of 125 million bu on July 1. It is surprising that Europe does not take larger quantities from us, and this can only be explained by reason of the fact that they feel that up to the present time they have received their pro-rata needs without unduly influencing markets. Regardless of the final size of Australian and Argentine crops, we know that the greatest percentage will be sold between January 1 and July 1, so that even with Canada not a big factor there will be no shortage. There is still available in Canada about 40 million bu during the next thirty-four weeks, on the assumption that that country wishes to carry over 35 million bu into the next crop. Of course, at a high price it might be desirable to have the carryover reduced below that figure, and this we think is likely.

Primary receipts today were quite small, only 291,000 bu compared with 329,000 bu last year. Stocks so far this week at Kansas City, Duluth and Minneapolis show a net reduction of 454,000 bu.

There were some further snows in scattered districts overnight, and Nat Murray, one of the crop experts, estimates that the area seeded to winter wheat this fall is 57,530,000 acres, or 100.6 per cent of the government's preliminary estimate of last year's sown acreage. This is the largest acreage on record.

After early weakness the market showed wonderful recuperative power, and this was due to a good many factors; one of them being the great strength in December wheat, also a better sentiment in the stock market with higher securities values being established, which in turn influenced a more bullish sentiment in grains.

At the last May wheat showed an advance of 1 1/4¢ per bu. We recognize that this is the calendar time of the year when ordinarily sharp declines do not occur, but think with patience after the turn of the year that lower prices will probably be witnessed.

Corn was a shade higher, export demand continues, but of course everyone has known that with this size crop we could easily spare 50 to 60 million bu without necessitating any domestic curtailment. We do feel, however, that foreign demand will continue to be a sustaining influence.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 9, 1937.

The wheat market today was without any special feature. There was no important news to influence traders one way or another to change their position; therefore, fluctuations were very small and the total volume perhaps no more than yesterday, when it amounted to 26,163,000 bu. This frequently occurs in the month of December, particularly during the Christmas holiday period. It also happens quite frequently that at this period prices keep rather firm but they suffer a decline after the early days of January. We formerly considered this merely a superstition. In a broad world market, such as wheat, as a general rule it is not only difficult to predict the up or down turns in their finality, but to be brave enough to guess not only the tendency but even the month when such changes should occur, appears ridiculous.

However, experience over a period of years has shown us there is a good solid reason why fluctuations such as mentioned should happen during these periods. During the early part of December, owing to the close of navigation, millers load up with supplies, and this generally creates an active demand temporarily, thus causing strength. After the turn of the year six months' consumption is over; millers very often have laid in sufficient supplies for the next two or three months, so that the probable consumptive demand for eight or nine months is taken care of, which leaves comparatively little opening for large sales for the balance of the crop-year in a domestic way. Whenever farmers' stocks are still large after January 1, supplies will be plentiful for all needs. Furthermore, when crop prospects are fair and everyone knows that new wheat will be available around the first of July, there is no great object in laying in large stocks, particularly when the July future is selling at a discount.

As far as the export situation is concerned, a similar condition exists. At this time both Argentina and Australia have generally very little wheat left, and, therefore, pressure from the Southern Hemisphere is small. This also changes with the turn of the year when their new crops come on the market and will be a depressing factor.

As far as the United States is concerned this year, the situation appears particularly bearish from a long point of view. With a carryover on July 1, 1937, of 91 million bu and a crop of approximately 887 million bu, there were total supplies available of 978 million bu. With a consumption in this country of 680 million bu, we would have on hand 298 million bu above the needed domestic requirements. We have exported about 26 million bu up to December 3, so there ought to be available at present 272 million bu for all purposes, including carryover, above normal home consumption. It is not likely from the present outlook that export business for the next twenty-nine weeks would be sufficient to reduce that amount more than 30 to 50 million bu, or if something extraordinary should happen, call it an even 72 million bu, so that on July 1, 1938, we should have approximately 200 million bu on hand. This is not very encouraging for a higher level of prices for wheat unless something should happen in the way of bad crop prospects later on or increased consumption abroad to change the picture.

Export demand was extremely poor today and also the domestic sales from the Southwest were very small; cash premiums are declining from 1/2 to 1¢ per bu.

Primary receipts are still light, 412,000 bu compared with 373,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis still show decreases, amounting to 852,000 bu so far this week.

The Liverpool market showed advances ranging from 7/8 to 1 1/4¢ per bu since yesterday, but this was mostly in sympathy with higher

(OVER)

markets in North America yesterday after the former market had closed. They are still receiving fair shipments from Black sea ports--2,216,000 bu compared with only 432,000 bu last year. Argentine clearances on the other hand remain light, at 551,000 bu this week versus 1,053,000 bu in 1936. It is assumed that with Canadian stocks so largely reduced the United States wheat will be wanted right along, because, as above stated, there will be plenty for sale and more to spare than will be required.

At the close our market showed a decline of 7/8¢ per bu for the May delivery.

There is a steady demand for corn for export, and with receipts only moderate considering the large crop, this cereal remains in a very strong position.

Interest in oats remains very indifferent, but there is no pressure whatsoever, with private receipts being very light.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 10, 1937.

Liverpool futures closed at a decline of 1 1/8 to 1 3/4¢ per bu. However, there should not be too much attention paid to cables now unless fluctuations are very considerable, as the business in futures abroad at the present time is also on a very limited scale. Small transactions affect their market, and they are largely influenced by changes in North America, so that the decline yesterday was mostly a reflection of our weakness here at the close. We are more impressed by the action of the large millers in England, as the flour business is much more concentrated there than here. Also the United Kingdom takes such a big percentage of all the wheat which is imported into European countries. The quantity which is usually absorbed weekly is over 4 million bu, and this quantity together with what non-European nations take is generally more than half of the total world exports.

At the present time from the best information we can gather, English millers are rather holding back, figuring that large quantities of Australian wheat will soon have to be moved, and that they will be able to buy their cash wheat to better advantage. The Australian visible supply of wheat increased this week 12 million bu, and the total is now 42,496,000 bu compared with only 19 million bu last year. In addition, it is worth while noting that a year ago at this time Germany and Italy were very heavy buyers; in fact they took sufficiently large quantities to turn the trend of the market, and an advance was caused by the sudden appearance of their purchases on which the trade had not figured. Should Italy be a large buyer again it would be natural that she would turn to Durum wheat, of which she is a very large consumer, and besides same is selling at about 30¢ discount in Canada compared with futures, apparently finding no buyers. It is claimed there are 25 million bu or more of this wheat left in Canada with no takers at the present time.

It, therefore, seems that the outlook for prospective buyers is such that we assume that the quantities required will not be extraordinarily large. Should this be the case, they can easily be filled with only moderate takings from the United States. For the last week or ten days we have already felt the effect of this diminishing outlet.

We believe that in addition to the approximately 26 or 27 million bu cleared so far there are still quite large quantities of wheat sold to go abroad but not yet shipped. We are looking forward to good clearances for at least four or five weeks more, but unless new sales can be made in the meantime, shipments after that period are likely to drop off considerably. As this wheat leaves the gulf or other seaports we shall see further decreases in the visible supply. There are also heavy shipments being made from Kansas City at the present time, to a large extent to gulf ports, and so far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 1,819,000 bu , indicating a good decrease in the visible supply next Monday. This would compare with a shrinkage of 933,000 bu at the same period in 1936.

Primary receipts are by no means heavy considering the size of our crop, but yet they are not light taking into account the very poor demand on part of domestic millers; they amounted today to 502,000 bu versus 373,000 bu last season.

While it is very early as yet, nevertheless, more or less thought is being given to the new crop prospects. The one factor positively known is the very large acreage sown to winter wheat, which under normal conditions, together with the spring wheat crop, would furnish us again with a large exportable surplus. However, the possibility exists, of course, that the final outcome might be below

(O V E R)

average, as there are already quite a few complaints about lack of moisture in various districts. This naturally could easily be remedied, and our weather forecaster is fairly hopeful that there might be some snows in the Southwest tomorrow. In any case, as the season advances more attention will be paid to the outlook of the new wheat crop, as nothing sensational is in sight as far as present supply and demand are concerned. The world will have plenty for all it can consume and pay for, there will be a reasonable carryover, but nothing burdensome such as we had in the years of great depression. Therefore, the new crop future, July, will be very largely influenced by events which cannot yet be foreseen. Should Canada again have a normal crop, the price probably would appear high. Later in the season the May wheat naturally will be influenced by what is to come afterwards, as neither elevators nor millers would care to carry large stocks into the next season with the nearby option selling at a big premium over July.

At the close the wheat market showed a decline of 5/8¢ per bu for the May delivery.

Corn seems to remain in a very strong position, and the movement, although the weather is quite favorable, is by no means burdensome. There is a steady export business going on, and with Argentine stocks so very largely reduced, this no doubt will continue for some time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 11, 1937.

A new Farm Bill was passed by the House of Representatives yesterday by an overwhelming vote; whether or not it will be confirmed by the Senate remains to be seen. Should a law finally be enacted compelling farmers to reduce acreages under certain conditions according to a planned system with the intention of having an ever-normal granary with reasonably high prices instead of fluctuating ones it will undoubtedly have a tendency at times to reduce instead of increase consumption.

The writer, who just returned from Europe, had some practical experiences as to the effect of import restrictions and other artificial obstacles on the decrease in consumptive articles, therefore, interfering very largely with international trade.

For instance, it was impossible to buy an imported cigar anywhere in Italy, regardless of price. This naturally hurts Cuba, and in turn makes her a less attractive customer for Italian or other goods,as international trade works in a triangular way. In many countries it was almost impossible to obtain a good cup of coffee; and while this may have helped the substitute of chicory, the coffee being so poor, it decreased its consumption. During all this time Brazil who had destroyed part of her crop could have found good customers abroad had she been willing to pay more attention to the selling end than to the price level. The bread in Germany is extremely poor, as there is lots of mixture or other less palatable cereals. This is the case even in France, where choice bread can still be had in the finest hotels and in households where little attention is given to the cost. But there is a second and even a third class of bread being produced, which is of such quality that the per capita consumption of bread in France is being greatly reduced.

We are told that even in the United States at present bread consumption is on the decrease on account of labor not being fully employed, and although they have to live and eat they are greater consumers when they are working harder and taking their dinner pails to work.

Before the war importing nations easily took 200 million bu more wheat a year than now from exporting countries; while part of this might be due to larger production abroad we believe it is mostly due to a reduced consumption. In our opinion the problem of good farm prices will never be permanently solved until we find ways to increase our exports. At the present time we are hampered by discriminating tariff in England of about 6¢ per bu compared with her colonies, which is only of recent date. Even today we could export a great deal more wheat and flour were we on an even basis, and our carryover, which will be very large next July when the new crop comes on the market, would be greatly reduced if this tariff would not exist.

Nevertheless the world situation is such this season that a certain quantity of wheat will positively be needed from the United States. World shipments are likely to be about 11 million bu this week, and Broomhall estimates that they are apt to continue at this rate for the balance of the season, in which opinion we concur. Assuming that Australia and Argentina will ship about 70 per cent of their exportable surplus during the first six months of the year, they are likely to furnish not more than 5 million bu weekly on an average, or possibly 6 million bu at the outside should they decide to clear larger quantities during this period. This would still necessitate the purchase of about 6 million bu from other countries, such as Russia, the Danubian provinces, Canada, and the United States. This quantity cannot possibly be furnished without fair contributions from this side. However, should our clearances be only 2 million bu weekly, or even 3 million bu, it would not relieve us of the large surplus which is available at the present time, and it is quite evident that we shall go into the new crop with a great deal more than we had last July.

(OVER)

At the present time the export demand is extremely dull, and also our domestic millers must be well supplied or else they are waiting for better opportunities to lay in new stocks. This absence of demand has a positive tendency of bringing about lower prices, and we are looking forward to further reductions when possibly export sale can be resumed again.

Primary receipts are light, 377,000 bu today versus 467,000 bu a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 1,525,000 bu; this will improve the statistical situation somewhat on Monday, but after the old sales are filled these large reductions in the visible supply may not continue. However. finally there may be sufficient wheat pressing on the market to reduce or wipe out the present premium of about 6¢ per bu over July.

Our weather forecaster, as well as the Government's, predicts very fair prospects for a good deal of precipitation during the next week, which naturally would improve the new crop prospects materially.

At the close there was a decline in the May future of 1 1/8¢ per bu compared with yesterday.

Corn sympathized with the decline in wheat to a moderate extent, there still being a fair export business right along, and considering the large crop primary receipts are only fair-- 1,165,000 bu versus 810,000 bu in 1936.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 13, 1937.

When statisticians give charts of rises and falls in commodities, gold and silver are ignored, and not included because our prices do not vary. As far as gold is concerned the greatest world over-production exists, and as this metal is indestructable it may become burdensome at some future time. Figured on basis of present value the world gold production this year is likely to be $1,300 million; in the year 1922 it amounted to $319 million, at the then prevailing price, or almost four times as much now as then. The consumption, if anything, has decreased because its cost has advanced more than other articles, and at the outside the yearly disappearance probably will not be more than $200 million, but even if it should amount to $300 million for arts and other purposes, there would still be a yearly gain of 1 billion dollars. There is no sign of any let-up in the increase of production; in fact, the temptation is very great to mine more and more as long as it pays so well, and new mines are being discovered right along. According to the latest reports from South Africa so far this year the increase in production there is about 6 per cent.

For a while the excess landed largely in the United States, but the accumulations of late were comparatively trifling as some hoarding took place in Europe, but this will not last forever. Even during the month of November when we exported about 30 million dollars in gold, we imported about 52 million; therefore, showing a tendency to increase our gold stocks.

Whenever these increases again assume larger proportions , thought will be given to past experiences when a steady increase in gold stocks cheapened its value. If the policy of paying the present price continues, when ordinarily it should decline, it can only have the effect of raising the price of everything else in comparison. This is something which in the far distant future should never be lost sight of, although at the present time it does not seem to be a factor whatsoever.

Liverpool cables were quite strong today, not reflecting our Saturday's weakness, and futures advanced 1/4¢ per bu, although the December delivery declined 3/8¢ per bu. Broomhall attributed the firmer feeling to political developments in the Orient, and the small world shipments, but the actual export demand still remains very unsatisfactory.

Export clearances for this week were 8,726,000 bu compared with 13,271,000 bu last week, but only 7,437,000 bu a year ago same period. North America was a large contributor, with 4,855,000 bu, and we would not be surprised if a large share of that came from the United States. However, as the movement in the Southern Hemisphere increases, we are afraid it will be at the expense of our wheat exports. The amount on passage is quite small, being only 32,440,000 bu against 36,048,000 bu last season. We believe there is a tendency for wheat receipts to increase, although they are not as yet large by any means or burdensome, today's being 678,000 bu versus 528,000 bu a year ago, but receipts in the interior of the Southwest are heavier, and it is easier to buy cash wheat now than it was a little while ago. The visible supply shows a decrease of 2,745,000 bu, while last year there was a decrease of only 933,000 bu; the total is still about 36 million bu larger, and after a few weeks more when old export sales are filled we think the decreases will be very much smaller. Chicago stocks were very little changed, increasing 28,000 bu, and are now 11,545,000 bu, and with navigation closed and milling demand very poor, we do not think there will be heavy decreases until navigation opens next spring.

(O V E R)

There was a good deal of precipitation all over the country, but while the amount of moisture in the Southwest was not considerable as yet more is expected, and from the present outlook drought fears might be greatly relieved, and the subsoil moisture quite considerably improved.

Trade was comparatively light, and so were fluctuations; the close showed an advance of 5/8¢ per bu.

The total open interest in wheat does not vary much, and is 101 million bu, having gained 178,000 bu on Saturday. The open interest in December wheat is quite considerable, 12,118,000 bu, but the nearby future was somewhat weaker than the deferred ones, and there seem to be no great anxiety either on part of longs to liquidate, or shorts to cover hurriedly.

Corn receipts were quite heavy, primaries being 2,061,000 bu versus 1,143,000 bu in 1936. While there is still a good export demand the size of our crop this year was such that we shall probably have plenty to spare for both domestic and export demand. The present price seems very reasonable, but we do not look for any sensational advances either, as no scarcity is in sight.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
IEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
:W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

December 14, 1937

While we are in the habit, when forecasting the future of grain prices, to lay the greatest stress on the supply and demand situation, which is correct, nevertheless, the general business situation should never be overlooked. While the consumption of bread from one year to another probably varies less than that of any other commodity, because people have to eat in poor, as well as in good times, nevertheless, in times of depression there is some curtailmant, partly on account of greater economies, less waste being practiced, and furthermore, whenever everybody is employed and men are working hard they are likely to consume more bread than otherwise. It, therefore, becomes important whether the present recession in business will last for any length of time, whether it will become more accentuated, or whether we should have a recovery before long.

It is also important to note that any violent recession of business activity in the United States is usually felt throughout the World. It is, therefore, encouraging that so far, according to the LONDON ECONOMIST of November 27th, the volume of activity in England had been well maintained. The index of business activity on a basis of 100 for 1935 was 113 1/2 in September and 113 in October this year; therefore, practically no change of late. This still compares favorably with 108 last October.

Most branches of business in England remain very active. For instance, steel consumption in October was 158 1/2 compared with 127 1/2 a year ago. Steel prices are unchanged, although the scarcity of steel is now much less acute but pressure for delivery remains as strong as ever and armament demand is still on the upgrade. Engineering industry remains very active and the volume of orders on hand are sufficient to keep the industry busy for many months. The aggregate value of building plans passed in October by 146 local authorities was practically as high as a year ago, and there are no definite indications of a slump in building industry. Shipyards remain active on previous orders and an increase in naval contracts; so the outlook at least from England's standpoint is quite encouraging and may finally influence us. Even with a minimum consumption in this country, with a population of 130 million people, the absorption is still very large, and who can tell when the turn in business will appear. At the present time, no doubt with many workmen out of employment our flour mills feel somewhat the effects of a temporary decrease in consumption, and the milling demand for wheat at the present time is rather discouraging.

After our close yesterday, there was a very sharp advance in Argentine futures in anticipation of a very bullish report supposed to come out tomorrow afternoon regarding this year's yields of the wheat crop. Liverpool, however, ignored this strength to a large extent and was more influenced by the higher prices being paid at Winnipeg They finally closed at an advance of 3/8 to 1 1/8¢ a bu, and when the Buenos Aires market had some recession early today, the bullish feeling which had existed yesterday late in the session also subsided somewhat, giving us an easier opening. Nevertheless, the Argentine report, when it comes out will have more or less effect at the moment on the trend of the market, and at least will have a great psychological influence. As far as we are concerned, we always feel that the Argentine market is a very sensitive one, transactions being comparatively small, and therefore, not too much attention should be paid to same. Even if we assume that that country would have only 80 to 100 million bu to export, we do not feel that by any means it would be a great calamity.

This year the Argentine exported 128 million bu from January 7 to June 24.

The deficiency this coming season can partially be made up from larger shipments from Australia,

(OVER)

the other Southern competitor, and possibly from Russia, as well as the Danubian provinces. On the other hand, of course, we must not forget that Canadian wheat will be very scarce, but there again is the offset in the supplies from the United States, which are all important, as at the present time we should probably have 170 million bu more wheat in this country than we had at the same period last year.

We, therefore, feel that unless the demand for our surplus increases very fast, the stocks after the turn of the year will be such that it will be difficult to maintain or raise prices. This is particularly so as the whole wheat belt has been favored more or less with precipitation and while it was rather light in some places, more is expected, and although it is too early to get a clear picture, we would imagine that the present outlook for the time of the year is much more favorable than last year. The planted acreage is very large. Furthermore, last season's abandonment of acreages was much above the average, and as it is only reasonable to figure on average seasons, it is likely to be smaller this year.

Primary receipts were very light, 347,000 bu practically the same as last season when they were 340,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far show a decrease of only 110,000 bu, which strengthens our belief that from now on decreases in the visible supply will be smaller than they have been.

Trade was extremely light. We feel that with the great strength in December wheat, the nearby future, great gains at Winnipeg, and with the advances in corn, the wheat market made a poor showing, indicating that it is not easy to lift prices just now. At the close May wheat showed an advance of 1/2¢ per bu compared with yesterday.

The corn market exhibited at times great buoyancy and with the export business continuing and Chicago receipts being so light, the bullish feeling is quite strong. Primary receipts were 971,000 bu compared with 1,228,000 bu last week but only 671,000 bu similar period in 1936. Considering the much larger crop it is quite evident that farmers are not very anxious sellers and it will probably take somewhat higher prices to bring any large movement.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 15, 1937.

All wheat markets in the world are influenced at the present time by the great strength in Canadian futures, and cash wheat there is also bringing premiums, so that the Canadian markets are higher than any other. At the present time Winnipeg December wheat is about 32¢ over Chicago December and their May wheat is 25 1/2¢ over ours. Regardless of statistics as to the quantity of wheat left for export and which might be obtainable by foreign millers, it seems unlikely that much business can be consummated at present levels, because naturally European buyers turn to other countries for their supplies unless for one reason or another they cannot get along without the Canadian mixture, the quality being such that it is very desirable for certain kinds of flour. In any case, however, the quantity of Canadian wheat left for sale, deducting the Durum wheat, must be of very small proportions.

Broomhall still maintains that the European and ex-European countries need 496 million bu, and he figures that the Argentine will supply 80 million bu. There are some uncertainties on this subject, as the Argentine crop has suffered first from drought, then from frost, but the situation will be clarified when the official government report comes out this afternoon about 4 o'clock, Chicago time; and the trade is very anxious for this knowledge. The two countries which are supposed to furnish the largest quantities during the balance of the season are Australia with 104 million bu, which figure is generally accepted by the trade as very probable and the United States, with the same amount,104 million bu,for the whole season. Inasmuch as Broomhall probably has more sources of information than any other statistician, it is well to base one's calculations on his estimates.

The United States we figure has cleared so far possibly 30 million bu, and probably 10 million bu more wheat are sold and not yet cleared, so new buyers during the next 6 1/2 months would have to take approximately 64 million bu to bring up the quota. This apparently appears to be a large quantity to the grain man, who finds the greatest trouble to sell much at the present time, and the business actually in sight is of very small proportions, which is rather discouraging. However, even if this quantity, as above-mentioned, should be cleared, according to Broomhall's figures the United States would still have a very large surplus amounting to about 180 million bu next July 1. We wonder who would want to carry over such an amount at the present level, with July wheat selling at a discount. Therefore, while there are many strong points in the world situation, and while there is no outlook for any great superabundance, yet the United States may finally be the determining factor in shaping values at the end of the season, if consumers, trades, and speculators should decide that it would not be advisable to be the owner of much wheat in view of a new crop coming on the market. This would necessitate selling larger quantities and wheat might become a market which will seek buyers, while the contrary has been the case to a certain extent until now.

Our wheat market today was largely influenced by these various situations mentioned above. Liverpool is keeping cool, despite the strength in Canada, and their futures advanced only 5/8 to 1¢ per bu.

In spite of the large quantity which we all figure theoretically would be available in the United States, there is no pressure anywhere at the moment. Primary receipts of wheat continue to be very light, being 390,000 bu compared with 288,000 bu last year when the crop was exceedingly short. Stocks at Kansas City, Duluth and Minneapolis show a decrease again of 565,000 bu.

The market tomorrow, we believe, will depend very largely on the crop estimate of Argentina. Should it be close to 200 million bu we believe it would be construed bearish, and should it be only around 180 million bu, contrary opinions as to the price level would prevail.

(O V E R)

Last year the crop was 248 million bu but the Australian crop was considerably smaller. Also Canadian supplies were larger and those in the United States smaller, so everything is different from what it was in 1936.

The moisture overnight was rather disappointing, as far as the Southwest is concerned.

At the close our market showed a decline of 1/8¢ per bu compared with yesterday.

Corn remains independently strong for both the cash and the futures. The demand from abroad continues, and seems to be urgent at times, so it is difficult for merchants to accumulate large stocks. The southern markets at the present time are bidding higher premiums than Chicago, and offerings to this city are very small, and for the present it does not seem as though there would be any heavy accumulations which would be pressing. Primary receipts were 1,097,000 bu versus 789,000 bu last year. Considering the much larger crop this season this is a rather poor showing. At the close May corn showed an advance of 3/4¢ per bu compared with yesterday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 16, 1937.

The Argentine government issued its report yesterday, estimating their wheat crop at 192 million bu. We now know the approximate results of this year's crops, in both the Northern and Southern Hemispheres, and while some may have been over-estimated, and others underestimated, we do not believe any great changes will come from now on. Also,as a rule, the consumption does not vary much from one year to another. So as a basis of calculation, we accept Broomhall's figures as to requirements of importing nations, of 496 million bu.

Total world clearances since July 1st up to December 13th were about 210 million bu, and if we allow 25 million bu more to the end of this month, it would give us total shipments of 235 million bu for six months; consequently leaving for import requirements for the last half of the year, 261 million bul It is to be assumed that Argentina and Australia together will ship about 70 per cent of their exportable surplus during this period, or approximately 140 million bu, leaving, therefore, 121 million bu to be supplied from North America, Russia and the Danubian states, with smaller quantities from other countries. This would leave probable requirements from North America after January 1st of 70 million bu, of which Canada might be able to ship 30 million bu, so that the United States may be called upon for a quantity equal to 40 million bu. This may be easily supplied, and, therefore, we do not look for any scarcity or scarcity prices.

There is also the possibility that a country like Germany, which has very small supplies, may take more than we figure on at the present time. The same might be true as far as Spain is concerned, which is involved in war, but nothing of a sensational demand above what we know at present may be looked for.

If these surmises are correct, then there is bound to be a very large carryover in the United States next July; but if our crop prospects should prove to be very poor, and if during the crop-growing season reports should be alarming,this country is rich enough to carry this burden. But on the other hand, should the contrary be the case, and our crop prospects should be normal or better the tendency on part of consumers, millers and elevator men would be to reduce their stocks to the minimum, particularly as long as July wheat is selling at a big discount.

At the present time the export demand for our wheat remains very poor. This is all the more surprising as Canadian prices are almost prohibitive, and shipments from that country from now on will be very small, although minimum amounts will be required right along for mixing. There also seems to be no pressure for early shipments from the Argentine, as neighboring countries, such as Brazil, Bolivia,etc., will have to be provided first. We are strongly under the impression that there is more or less a millers' strike abroad preventing them from laying in large supplies before Christmas, as in no other way could we account for the great indifference at the present time with the amount on passage so largely reduced, and good consumption going on steadily.

Primary receipts continue to be light --303,000 bu today, and actually smaller than a year ago when they were 482,000 bu. Stocks at Kansas City, Duluth and Minneapolis show a decrease so far this week of 939,000 bu. The decrease is almost entirely from Kansas City, where deliveries of wheat had been made; we do not believe that this movement to gulf ports will last very long, and, therefore, our visible supply will not diminish as fast as heretofore. This may prove to be a burden as the season progresses.

The trade, which had expected a rather bullish report from the Argentine, was rather disappointed, and with prices at Buenos Aires not rising and Liverpool also showing great indifference, our market took on a very weak appearance. Like very frequently, when a movement once starts and a certain tendency is established there are many followers, and when wheat prices started to decline during mid-session there was a good deal of liquidation with the result that the May future closed 1 1/2¢ per bu lower than yesterday.

Corn receipts were heavy, primaries being 1,388,000 bu against 690,000 bu in 1936. It was also a little easier to buy this cereal; the export demand continues, but it was not quite as urgent as recently. There seems very little doubt, however with the small stocks left in Argentina, that most European countries will have to come here for their supplies. The corn market closed a fraction lower than yesterday, partly in sympathy with the decline in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 17, 1937.

The writer had a dream. He fancied he saw an Englishman sell 100,000 bu of wheat in Chicago, which he had owned at about 53¢ in 1933 on which he collected the money, transferred it to gold and hoarded it. Even in his subconscious mind the writer was aware that such a transaction could only have been made by an Englishman, as the citizens of England were never compelled to turn in their gold to the government; neither were they prevented from hoarding it, or buying or selling it anytime they chose. Such a transaction would have been impossible for an American. The Englishman now decided to reinstate his wheat in Chicago, and for the same kind of wheat he now has to pay about 91¢ per bu; but for the gold he had accumulated he is still able to buy the same quantity as he had sold. In other words, although wheat has advanced from 53¢ in 1933 to 91¢ now, the same amount of gold buys the same quantity of wheat: namely 100,000 bu. Upon awakening the question arose, "What had happened between 1933 and 1937?" Assuming that the United States would not have depressed its currency, would wheat sell now at 53¢ a bu? Our humble opinion is that it would not. Would it sell at 91¢ as it does now? We also believe that it would not, but probably it would sell somewhere between these two prices. Expressing this in other words, the full effect of the changing of our standard of measurement has not yet exercized its full effect, but probably it was some factor in bringing about an advanced price level. This has not been so clearly observable because it took place in every other line and it was taken for granted that it was a natural reaction from the low levels and not altogether inflation.

If these premises are correct, it is well to bear in mind that the full effect may be felt as time goes on. Were this not the case the fact that the United States Treasury gained about $2,800 million through devaluation with a consequent increase in the value of its gold holdings, why would it not be a good idea if we repeat this experiment. With another depreciation of about 40 per cent we would gain an additional $5 billion. This we could keep on doing indefinitely from time to time. However, we are convinced that the present devaluation will lead to higher price levels for all commodities and that prices will never be as low as they would have been without it, all of which will have to be taken into consideration in the future when judging wheat values.

Liverpool cables early did not respond fully to our yesterday's decline, but during the session their futures lost from 1 to 1 1/4¢ per bu. The situation abroad is such that on one hand there is more or less pressure from Australia, and this will continue for some time; their crop seems to be turning out very well, their visible supply increased again this week 12,504,000 bu, and at the present time is 55 million bu versus only 32 million bu a year ago. Clearances are commencing to increase, and this week are 2,054,000 bu against 1,473,000 bu last week, and 1,264,000 bu a year ago; very shortly they will assume quite large proportions.

However, the type of wheat which is raised in that country can only be used in moderate quantities by English millers, and they, therefore, also have eyes on Argentina, particularly as Canadian prices now are rather prohibitive, but even should they decline the amount of Canadian wheat which is left for export to Europe is so small that the United Kingdom must turn to other countries for their hard wheats, and Argentina and the United States are the only countries which could supply this demand.

It is now claimed that the full frost injury of late October and early November is not included entirely in the Argentine wheat crop estimate of 191 million bu, and it is quite likely that subsequent revisions of their crop are apt to be downward. It is now thought that possibly the final outturn might not be more than 175 to 185 million bu.

(OVER)

It is quite evident that we might have a very high level of prices were it not for the fact that the very large supplies in the United States might spoil all such hopes. Our recent export business has been extremely poor, and today again there were no signs of any desire to purchase more at present. Actual exports of wheat and flour since July 1st up to December 10th amount to only 29 million bu. Assuming for argument's sake with an estimate of about 8 million bu more which had been sold and not yet cleared, or a total quantity of 37 million bu, there would be left approximately 232,000,000 bu for export and carryover. This would be about 141 million bu more than we carried over this July when our supplies were extraordinarily low, at only 91 million bu. Nevertheless, it appears as if after the turn of the year the pressure of our large supplies is bound to be felt, and it may not be easy to maintain present levels; in fact, it seems to us as if the probabilities would tend toward lower prices.

Primary receipts of wheat today were 405,000 bu compared with 340,000 bu. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 1,067,000 bu. Last year the decrease in the visible supply on the day corresponding to next Monday was 1,882,000, and we doubt whether it will be very much greater now.

There was not a great deal of precipitation in the Southwest overnight. The winter wheat belt at the present time has sufficient surface moisture, but recent rains and snows were too light to assist in the accumulation of subsoil reservation, and there has been some deterioration in the Southwestern part of Kansas. Much will depend upon the weather later on.

We feel, however, that there is no logical reason for May wheat to sell at a premium over July as long as supplies at the end of May will be quite liberal, and when new wheat will be available possibly by the middle of June in Texas and Oklahoma.

At the close the May wheat showed a decline of 1/8¢ per bu.

Primary receipts of corn are becoming a little heavier, at 1,332,000 bu compared with 781,000 bu in 1936, and there is a lull in the export demand although with largely reduced stocks in the Argentine there is bound to be a big export business right along to many countries. However, the corn market has had pretty good advances of late, and there is some hesitancy now, with the close being somewhat lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 18, 1937.

Yesterday's government estimate on the outcome of the combined winter and spring wheat crop of 1937 was given to the trade, and the figures show 13 million bu less grown than was anticipated. This was considered as slightly bullish, as naturally it would be, yields being less than expected, and some optimists had believed that possibly the figures would be raised. Nevertheless it was not considered of very great importance, because in spite of it we have raised this season 247 million bu more than last year. Also assuming that we shall go into the next crop with a carryover of 120 million bu, which is normal, and with exports already consummated and shipped, and those sold but not yet cleared, there would still remain 133 million bu for the balance of the season. This certainly looks like a large quantity for the next 6 1/2 months considering the small amount which had been shipped the first 5 1/2 months, and also bearing in mind that for a long while we shall have to meet competition from the Southern Hemisphere.

Liverpool seems as much undecided as to the course to pursue as we do, and their futures were practically unchanged to 1/4¢ per bu higher. They are watching events in every corner of the world; and as Australia is sending favorable reports, and Argentina also claims a little better outlook than before, the somewhat more bullish feeling which might have been created from the United States government report was absent.

We are also drifting here more or less, which is often the case at this time of the year with the holidays approaching, and fluctuations are quite small.

The closer we come to the next season the more attention will be paid to the disposal of the surplus which will be left in this country, also to crop prospects. The first we think will be rather depressing, because there does not seem to be any good sense in carrying old wheat over into the new crop when the latter can be purchased at a discount, and July wheat is selling at about 5 1/4¢ per bu less than the May.

As far as crop prospects are concerned, unless moisture conditions should improve greatly scares will be produced from time to time, but how serious this situation might develop later on, of course, cannot be foretold now, as it will all depend upon weather conditions. At the present time there is insufficient subsoil moisture in the Southwest, and this always causes some apprehension. On the other hand, however, the acreage is very large, and even a very moderate yield per acre would again give us sufficient supplies both for domestic needs and for an exportable surplus. When this is added to the amount of wheat which will be left in various positions on July 1st we shall probably continue to be in the export column. Then, of course, should Canada again happen to produce a normal crop and become a heavy competitor, the price level next year would depend entirely upon the size of the crops in Europe.

Primary receipts of wheat today were 453,000 bu compared with 466,000 bu last year. Total receipts for the week amounted to 2,575,000 bu versus 2,444,000 bu last year. Considering that the crop was so much larger and that we are supposed to have much more wheat in farmers' hands, which shows they are not very free sellers at the present time, for the time being there is no particular pressure. At various places stocks continue to decrease, Kansas City showing so far this week a loss of 1,204,000 bu and Minneapolis 125,000 bu, making it quite sure that there will be another fair-sized decrease in the visible supply on Monday.

At the close May wheat showed an advance of 1/4¢ per bu compared with yesterday.

Corn receipts were 1,164,000 bu compared with 737,000 bu last year. For the week they amounted to 8,013,000 bu against 4,811,000 bu in 1936. The export demand continues but in a more moderate way. There seems to be a lot of feeding going on, and, therefore, unless we should have further advances we do not think the movement will assume any such large proportions as to become burdensome.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 20, 1937.

Liverpool wheat cables were quite weak today, futures declining 1 1/4 to 2¢ per bu. Their market was steady at the opening, influenced somewhat by the tension in the Far East, which induced some to cover; but continued hedging sales by Australian shippers are a factor at the moment and we are afraid when this is augmented by offers on a larger scale from Argentina, it will be difficult to create strong markets abroad. This particularly so as it appears that the cash demand for wheat in Europe is such that present arrivals are apparently sufficient to satisfy the small demand.

This is surprising as world shipments were only 9,121,000 bu this past week, or about 1/2 million bu less than the theoretical weekly requirements as estimated. However, even with that they are somewhat larger than last year when they amounted to 8,623,000 bu. The amount on passage is quite moderate, 32,040,000 bu compared with 34,592,000 bu last season, but Liverpool stocks are quite considerable, at 2,840,000 bu. versus 920,000 bu a year ago. Stocks in Antwerp and Rotterdam are also quite sizable at 6,875,000 bu against only 4,862,000 bu in 1936 similar period.

North America cleared this week 4,165,000 bu compared with 3,416,000 bu a year ago, but we believe that this year the largest percentage came from the United States, while last season Canada was a very heavy shipper. Inasmuch as the latter country at the outside has only about a million bu of wheat a week to spare until the new season commences, if there should be any demand at all for North American wheat the burden will continue to be all on the United States. A large share of the export demand is for hard wheat, grown chiefly in the Southwest, and therefore the large decreases in the visible supply at Kansas City are quite natural. The only open question will be how urgent and in what quantities this export demand for Gulf wheats will continue.

The total decrease in the visible supply was quite a surprise. Nobody had expected such an enormous reduction, which amounted for the week to 5,297,000 bu, while last year the loss in stocks for the similar week was only 1,882,000 bu. The margin of excess over last year's supplies in the visible has gradually narrowed and now has been reduced to 32,579,000 bu. This ordinarily would have stimulated a great deal of buying and brought about higher prices, but the trade is so entirely indifferent that the total volume consummated on Saturday in all futures of wheat was only 10,508,000 bu. Today, as far as we can judge from appearances, no new large commitments from either side could be traced. Last year after this date up to May 1, the decrease in the visible supply was 36,372,000 bu, an average per week of 1,914,000 bu. It probably will be fully as large or larger this year, although we assume that farmers' holdings are very much greater than they were in 1936; but there seems no tendency for farmers to sell very freely, and primary receipts of wheat were only 659,000 bu versus 899,000 bu a year ago.

Fluctuations were extremely light, and even the absence of further moisture in the Southwest was ignored. Every grain man coming from the Southwest mentions the lack of subsoil moisture in various parts of Kansas and Nebraska, and while there is plenty of time to change this situation, the possibility still exists that we may have our usual crop scares later on. At the close the market was about unchanged for the May delivery.

Corn receipts were heavy today, 1,998,000 bu compared with only 885,000 bu last year. The visible supply is gradually increasing, amounting now to 30,327,000 bu against 10,592,000 bu in 1936. The export demand continues all the time, but on a very much reduced scale for the last few days. It is likely to pick up anytime, as no other source of supplies on a large scale are available in any other country. This, of course, will change when the new Argentine crop comes on the market later on.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Dec. 21, 1937.

The Liverpool futures market before our session opened was slightly encouraging. However, closing quotations were unchanged for for the nearest delivery --December-- and the other gains were only 1/4 to 3/4¢ higher. The latter on July wheat, which is now selling at about 7/8¢ premium over the May, or at a moderate carrying charge, indicating that the trade expects a heavier movement and accumulations of stocks by that time. We think this view is fully justified by the fact that the Australian crop prospects are turning out better than anticipated, and their wheat is deliverable on contracts. We have a private advice today from Australia, where they believe that the outturn will be considerably larger than the previous estimate; as the weather since then has been favorable, and as our party informed us that any change since the letter was written would be made known to us by cable, we assume this view still holds. The weather in the Argentine is also favorable now. The average weight in the Cordoba province is quite normal, fully 64# to the bushel, but possibly it will be less in Buenos Aires province.

Under these circumstances we may reasonably expect heavy clearances pretty soon from the Southern Hemisphere, but this does not change our belief that a certain amount of wheat must still be obtained from the United States. We assume, of course, that the Canadian wheat exports will drop off from week to week, partly on account of their high price compared with other wheats, and also because the quantity available at best would be only very small, estimated at about 33 million bu on the assumption that the carryover next season would be 35 million bu. We are inclined to the belief, however, that no such large quantity will be carried over as the price is very tempting to the farmer to sell almost his last bushel, and millers also will be inclined to carry the smallest stocks, particularly should it develop that the crop outlook next season would be much more favorable. In the meantime, there is a desultory export business going on from here right along, but not in large quantities from either east of the Rocky mountains or west. It is our impression that the largest quantity of wheat still available for export is on the Pacific coast, and it is reported that about 60 per cent of the amount raised there is still in farmers' hands. The latter are very independent, and are only selling very slowly. Incidentally,to us this is an indication that farmers in the United States must be very well off, as all during this season instead of rushing their grain to market, they have disposed of it in a very leisurely way, evidently not being greatly in need of funds.

This accounts for the very small primary receipts at the present time, being only 368,000 bu versus only 401,000 bu last year, although our crop is 247 million bu larger, and compares with average crops during the last four years of 582 million bu, while this season we produced 873 million bu.

Our market opened reasonably strong, and immediately large buying orders came from the East; possibly sentiment is changing there regarding values on account of the somewhat improved stock market. With the light outside trade, a quantity estimated at 1 to 1 1/2 million bu which may have been purchased could not be obtained without raising prices considerably. At the close the May future showed an advance of 1 1/8¢ per bu compared with yesterday.

Fundamentals have not changed. We still believe that farmers' holdings will gradually come out, and that the small carryover of last year of approximately 91 million bu will be greatly enlarged, so that supplies both next May and July in this country will be very comfortable.

The trade will be very much interested in the government report this afternoon, which will give us the seeded acreage, as well as an estimate of the probable size of the crop. The acreage undoubtedly will be very large, but nobody can tell yet what the results per acre are likely to be, and whatever figures are given will be entirely problematic.

Corn receipts continue to be large, primaries being 956,000 bu against 683,000 bu in 1936. Export business remains more or less on a fairly satisfactory scale. The tendency of the market appears to be upward, and very often it seems to be the case that when a trend in corn starts in one direction or in another it is hard to stop it until it finally reaches a climax. We would not be surprised if that point has not yet been attained, and that we shall see a further strengthening in prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 22, 1937

A holiday atmosphere exists in the grain pits at the moment. This is very often the case just before the Christmas holiday, and therefore not very unusual. Fluctuations in consequence are very light, and at the moment no pronounced tendency either way prevails, new engagements on a large scale being very rare. The total volume of trade in wheat yesterday was only 23,422,000 bu, a good part of which consisted of changing operations. Both longs and shorts in December wheat seemed inclined to even up, because the time for doing so is very limited now. The open interest in December wheat yesterday was still 8,699,000 bu, having been reduced that day 1,011,000 bu, and we should not be surprised if that much more of a reduction would take place today.

The government report which was given out after yesterday's session had closed was not considered of any great importance. It is impossible at this time of the year to accurately suggest what the final production will be, but possible yield of 630 million bu on the present acreage is a fair estimate. We assume that as usual some territories will be favored with good weather conditions from now on, while others might suffer. Of course, the final outcome might be considerably more or less, should weather conditions be extremely favorable or the reverse. But even if we knew the exact yields on winter wheat, the price of wheat is very often finally determined by the size of the spring wheat crop, and as same has not been planted yet, the future level of prices must necessarily remain in the dark for the present.

There are only two items which are important and which we can judge pretty accurately even now. One is the probable carryover of this year's crop, and in all probability same might be about twice as large as that of last season, or about 180 million bu compared with 91 million bu on hand July 1, 1937. The other important factor is the planted acreage, amounting to over 57 million acres, virtually the same as in 1936/1937, but very much larger than that of previous years when the crops were so small. As the plant is usually dormant during the winter months, for the next eight or ten weeks the amount of moisture, particularly snow, will be watched very closely, because in the absence of snow the danger of winter killing usually increases and, of course, the more subsoil moisture we have now the less will be required later in the season when there are very frequent periods when rainfall is very deficient.

There was some more wheat export business reported from the United States, but while same is very steady it is not in very large volume and not sufficient in all probability to reduce our stock sufficiently to bring it to the normal.

Farmers are still inclined to hold and are selling only reluctantly; therefore primary receipts are very light, today's being 422,000 bu against 392,000 bu last year. Stocks at Kansas City and Minneapolis so far for the week show a small decrease of 228,000 bu.

Abroad similar conditions exist as here, and Liverpool futures showed a decline of 1/4 to 3/4¢ per bu compared with yesterday. At the close our market lost 1¢ per bu for the day on the May future compared with yesterday.

Corn movement is quite fair, primary receipts being 1,330,000 bu versus 621,000 bu last year, but the cash article is in good demand because there is a steady export demand, something which we have not had for a great number of years. This we think is likely to continue until the new Argentine crop comes on the market and the size of same will determine whether or not we can continue to furnish part of the import requirements. There is one thing greatly in our favor this year: namely, the excellent quality of our corn. Europe is very much pleased with the arrivals so far and as our prices are competitive it is very encouraging for the future consummation of trades right along.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Dec 23, 1937.

The same complaint came from almost every exporting market today; namely, a very dull demand for wheat. Under these circumstances, of course, it is difficult to boost prices. However, part of this indifference to make new purchases in the importing countries at present may be due to the approaching holidays, and very often there is a change after the new year. This is more apt to occur this season, and also our domestic millers, who have been holding off for sometime, are bound to replenish their stocks sooner or later. Steady consumption is going on all the time. Broomhall reports increasing pressure of Australian offerings for the actual wheat, and this var ty which can be used by English millers only in moderate quantities is likely to be delivered on future contracts, as it is more undesirable than other kinds. Therefore, the decline of 1 1/4 to 1 3/8¢ per bu in the various futures at Liverpool is easily explained.

There was very little in the way of export business reported this morning either from Canada or the United States, yet clearances the past week are apt to be very light, and probably under normal needs. Russia, India, and the Black sea together cleared only 1,088,000 bu; Argentina shipments are estimated at only 1,837,000 bu versus 3,218,000 bu the year before. So with only North America and Australia to hear from it does not seem as if total amounts put afloat would exceed 9 million bu.

The day corresponding to yesterday last year, December wheat closed at about $1.36, May wheat at $1.31, and July at $1.16; consequently there was a discount of 5¢ for the May, and 15¢ for the July. The logic was sound as it was assumed wheat in May would become very scarce, which proved to be the case, the carryover of 91 million bu finally on July 1st having been the smallest in a period of ten or fifteen years. This year May wheat is at a discount of about 3¢, and July wheat only 6¢ discount due to the changed conditions. It is assumed that wheat will be much more abundant right along, and, therefore, big premiums for the nearby futures are not justified; even in 1936 the big premium of May over July almost disappeared, at least within a few cents, while this year they may sell at even money. This for the reason that supplies of old wheat are likely to be reasonably plentiful.

According to Sanford Evans, as of December 17th, this country had 253 million bu more wheat left for carryover less the amount exported after this period. Assuming that our weekly exports for the next 28 weeks to July 1st would be 3 million bu, or 84 million bu, we would then have on hand July 1st, 1938, 169 million bu instead of 91 million bu as during the past season. We believe that estimated weekly exports from the United States of 3 million bu are rather big, although with the scarcity of Canadian wheat, and with the moderate crop in the Argentine it might be a possibility. There is no question in our mind that this country is the only one which can furnish in large quantities the amount of wheat which is positively needed in order for European millers to produce the same type of flour as they have been used to.

In the meantime the demand is all for hard wheat, and the red wheat is thoroughly neglected, even at reduced prices. This rather makes us believe that finally at the end of the year stocks of hard wheat will be very largely reduced; the wheat which will have to be carried over into the next crop will be the Pacific coast wheat of which there are still large quantities available, and the soft wheat is the kind which is likely to be delivered on May contracts.

Primary receipts continue to be light --456,000 bu compared with 511,000 bu last year. Stocks at Kansas City and Minneapolis were reduced 139,000 bu for the week so far.

The market at the close was practically unchanged for May wheat, but showed a decline for July. Corn primary receipts are very big now --1,517,000 bu compared with 661,000 bu last year. The market was a trifle higher, and sufficient export demand from time to time encourages bullish feeling.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 24, 1937.

Liverpool futures closed today at an advance of 7/8 to 1 1/4¢ per bu, thus regaining practically what they lost yesterday. Their market, the same as ours, shows no decided tendency at the moment, as indicated by the small fluctuations this month here, Our May wheat closed today at 92 1/8¢ and on December 1st it closed at 91 3/4¢.

There was practically no cash demand for either export or domestic purposes, and it is not likely that this business will pick up much until after the turn of the year. The strength in our market today was entirely due to short covering on part of some traders, who possibly might be scared on account of the continued strength in December wheat, which maintains its premium over May wheat of 3 3/[illegible]¢ The reasoning naturally is that cash wheat is bringing a premium now, so with largely reduced stocks, next May the wheat for delivery on contracts might be still scarcer. However, we do not follow this logic; anybody who pays for cash wheat at the present time has a long time before him to market it, and as in the meantime he can hedge it in May wheat his loss at best will be limited. Next May the situation will be different. The wheat could not be hedged to good advantage with July wheat already at 6¢ discount, and furthermore the time for marketing would be very short, with new wheat coming on the market in Oklahoma and Texas on about the 15th of June. Also the desire on part of everybody else who owns any wheat will be to dispose of it and have the smallest amount of stocks on hand so as to be ready to buy the new wheat when it starts moving.

As far as the foreign news is concerned, we are interested in the large increase in the visible supply of wheat in Australia, amounting to 16 million bu this week; the total is now 71 million bu compared with 35,520,000 bu a year ago. We, therefore, feel that clearance from that country are likely to be very big for the next two or three months, although they are very moderate up to date. We would also guess from these heavy accumulations that probably the crop had been under-estimated, and that the outturn finally will be larger. Our own correspondents are of the same opinion, and think the official figures so far given out will have to be revised upward later on.

The actual overseas exports of United States wheat and flour for the first 25 weeks up to December 21st are 31,526,000 bu, and unless clearances increase considerably our carryover next July will be quite considerable.

The planted acreage of winter wheat this fall of over 57 million acres compares with practically the same last year, but only about 50 million in 1935, 47 million in 1934, 44 million in both 1933 and 1932, 43 million in 1931, and 45 1/2 million in 1930. It therefore shows a very large increase. During all these years the abandonment of acreage was also very heavy:

in 1930 it was	4.8 per cent
1931	16.9
1932	31.9
1933	22.3
1934	29.0
1935	24.3
1936	18.5

This is way above the average during the preceding ten years. Therefore, assuming nothing unforeseen happens the probability is much greater for a large crop again this year.

(O V E R)

Of course, much will depend upon the weather, and the final price will also depend largely upon the outcome of the spring wheat crop. The latter has not even been sown but the precipitation for the three fall months-- September, October and November-- was favorable, with relatively good amounts of moisture. Also the northwest Pacifis has had more than the normal. Of course, there are some territories which did not do as well, such as parts of North Dakota and the Red river valley, but in the main we may be satisfied. Kansas, with the largest acreage of any state, has had less than normal precipitation, and continuous rains will be needed from now on. On the other hand, Oklahoma and Texas seem to have plenty of moisture. So from the present outlook we may look forward to at least an average crop, which would mean a great many bushels on the planted acreage.

At the close our market showed an advance of 7/8¢ per bu for the May future.

Primary receipts continue to be light, being only 425,000 bu and last year there was a holiday.

Corn receipts continue to be big, 1,531,000 bu, but the export demand seems to be excellent, and no doubt it will continue for several months more, preventing too large accumulations. This cereal seems to be in a strong position, and prices were higher today.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 27, 1937

With the Liverpool market closed today much attention was paid to the great strength in wheat in the Argentine, where February wheat at mid-session was 1 5/8¢ per bu higher, and corn for the same month had gained 4 1/4¢ per bu. The strength in wheat at Buenos Aires is particularly remarkable, as the price is about $1.02 1/2 per bu, consequently much higher than the American market; also it looks quite exorbitant compared with Australian wheat, especially as the latter pays no duty and Argentina has to pay 6¢ per bu to the United Kingdom, although as far as the Continent is concerned, they are on a parity with wheat coming from the English colonies or any other market.

The Argentine market as a rule is a very narrow one, and not too much attention should be paid to daily fluctuations there. However, as they are on the eve of a crop movement now it is becoming more of a cash market than a speculative one, and as Europe has been more or less waiting for their wheat to come forward, this strength cannot be ignored. The Argentine surplus is estimated at about 94 million bu, and while farmers may not be free sellers, experience has shown that as a general rule about 70 per cent of her surplus is shipped during the first six months of the crop year. This would be about 63 million bu, or almost 2 1/2 million bu a week. While this is very much less than usual, Australia probably will have large clearances from now on. All this, however, will not be sufficient for European needs with Canadian stocks so small were it not for the fact that the United States is in a position where she can make up the deficiency.

From the official figures published by the United States Department of Agriculture, we have raised a crop of 873 million bu. They estimate the home consumption at 670 million bu, and exports from the United States at 90 million bu, or a total of 760 million bu, which would give us an addition of 113 million bu from this year's crop. With 91 million bu on hand July 1st, 1937, we would have left over on July 1st, 1938 , 204 million bu. We ourselves cannot see any flaw in these estimates; of course, even the well organized Agricultural Bureau cannot be quite sure as to the amount of wheat which will be exported, but there are no signs as yet that the quantity required will exceed that of 90 million bu, particularly as up to date only about 33 million bu have been cleared.

This week world shipments were 10,189,000 bu compared with 10,546,000 bu a year ago same week, and there does not seem to be any extraordinary demand as yet. However, North America is way in front, her shipments being 4,783,000 bu, over 1,700,000 bu larger than in 1936, and almost half of the total. While we cannot separate those from the United States and Canada, we assume that considerably over 50 per cent, possibly 60 or 70 per cent, has been shipped from the United States. If this is the case, it would probably be the first time in many years when the United States had been at the top of the export countries.

There was no export business reported from the United States overnight, but with the holiday spirit prevailing abroad this is of no significance, and we may take it as a certainty that big orders will come for our wheat from time to time.

In the meantime primary receipts of wheat show no improvement, and the total today, including an extra day, Saturday having been closed, they are only 574,000 bu against 495,000 bu a year ago. We are still of the belief that Farmers are holding back large quantities, and past experience has shown that whenever this was the case the movement increases considerably before the tax period,or March 1st. In any event, we think the largest share will be moved before the next crop comes on the market, as the farmer is as wise as anybody else and will not be inclined to carry his wheat over into the next crop with the distant future selling at a discount.

(OVER)

The visible supply shows a decrease of 1,591,000 bu and is now 90,632,000 bu, about 32 million bu larger than last year. At the close May wheat showed an advance of 3/8¢ per bu compared with Friday. There was quite an evening-up on part of both shorts and longs in December wheat, which is quite natural as the open interest was about 6 million bu and whatever had not been evened-up today will have to be done tomorrow, as far as the pit is concerned, although deliveries can be made until next Friday, the last day of the month.

The great strength in Argentine corn naturally brought some buying orders for this market and over one million bu are supposed to have been worked for export. Until the new crop is available in the Southern Hemisphere we have no sharp competitors for this cereal, and Europe seems to need it very badly; therefore we may look forward to continued export demand which will be very helpful. Futures were very strong but any further gains in price may increase farmers' sales and bring about a heavier movement. Nevertheless, corn seems to be in a very strong position.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 28, 1937.

There was absolutely no export business in United States wheats today that we could trace. Yet, when we look at the Argentine shipments last year after the turn of the year, and when we consider furthermore that Canada had also cleared a great deal during that period, we cannot help believing that this will change and that the United States will be called upon for large quantities of wheat during the next six months.

Argentine shipments of wheat and flour for four months were as follows:

Jan.	7	-	3,928,000 bu
"	14	-	5,740,000 "
"	21	-	7,724,000 "
"	28	-	7,488,000 "
Feb.	4	-	7,896,000 "
"	11	-	7,024,000 "
"	18	-	7,896,000 "
"	25	-	8,760,000 "
Mar.	4	-	9,108,000 "
"	11	-	7,232,000 "
"	18	-	8,420,000 "
"	25	-	5,984,000 "
Apr.	1	-	6,476,000 "
"	8	-	7,536,000 "
"	15	-	5,504,000 "
"	22	-	5,992,000 "
"	29	-	2,572,000 "
Total		-	115,280,000

Considering that this year the total Argentine exportable surplus is variously estimated at only 94 million bu, it is evident how much short they will fall this season by way of comparison. Australia will make up some of it, but not a great deal; also Russia might clear a little more, but this is of no great importance. In addition Argentine shipped about 17 million bu from April 29th up to July 29. However, finally there will be enough to go around, as fortunately the United States can furnish all that will be needed.

According to the Bureau of Agricultural Economics in Washington, the world's wheat crop is 241 million bu larger than a year ago. The additional amount was practically all raised in the United States. The amount of wheat carried over on July 1st, 1937, was, however, extraordinarily small, and taking total stocks left over together with the new crops, there was on hand for consumption, according to statistics, only 25 million bu more than the previous season. This excludes Russia which probably will furnish 40 million bu, or more, over last year; so the world will have about 65 million bu more wheat on July 1st, 1938, than the past season assuming consumption would be about the same.

Liverpool after a number of holidays gave no encouragement to the bull; most of their futures closed unchanged, but the December delivery showed an advance of 5/8¢ per bu owing to the very light deliveries of Australian wheats. European buying must still be from hand to mouth as indicated by the small amount on passage, being only 31,008,000 bu versus 33,112,000 bu last year, when it was also very small.

Primary receipts continue to be very light --395,000 bu; shipments were almost as large, being 357,000 bu. Therefore, there is no immediate pressure for cash wheat at the moment, but the demand is also extremely dull; we can only come to one conclusion-- that millers must have supplied themselves freely with the raw material, the same as all other merchants were carrying large inventories, expecting much better business and higher prices.

(O V E R)

The trade today was very largely influenced by the action of December wheat. The open interest last night was still 4,885,000 bu, and today being the last day of trading these contracts will have to be closed out as far as the pit is concerned, although actual deliveries may be made until next Friday, the last day of the month. Evidently holders of December wheat were more anxious to sell than shorts were desirous of covering; therefore almost a continuous narrowing between December and May, and a considerable break in the nearby future.

At the close December wheat lost 3 1/2¢ per bu for the day, and the May 1¢ per bu. We believe that the action of December wheat will influence spreaders of May and July wheat from now on. While there are five months' time left to market any wheat delivered today, this would not be the case should deliveries be made the end of May. This wheat would soon come into competition with the new wheat which will be available, provided our crops mature at the proper time with new wheat within two or four weeks later. Therefore any holder of cash wheat at the end of May might have a very difficult proposition to market it. A premium of 6¢ per bu for the old wheat over the new would certainly be a great handicap.

The export demand for corn was much poorer today, but with the small stocks left in the Argentine many European countries will need it right along and will have to come here for their supplies. Finally the price will depend upon the outcome of the Argentine crop. At present considerable rain is needed, and we know from past experience in this country what the absence of moisture at this time of the year, corresponding to our end of June, will do. Plentiful rains might still produce a large crop on a big acreage, but timely moisture will be essential.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 29, 1937.

Without any special depressing wheat news today either from abroad or domestically, the market suddenly became very weak after having been steady for a long time. This we attribute very largely to the changed industrial situation and the decline in stock market values. It always has been so. When great losses are incurred in this country either through declines in other commodities or through losses on a large scale anywhere, be they from a conflagration, earthquake or no matter what, the buying power decreases and speculative grain buyers become more scarce.

It is, therefore, always necessary for anybody who has his eye on the future never to neglect to consider the general trend of values. Consequently it behooves the grain trader to anticipate whether the turn in general affairs will come, and when, and particularly whether present conditions will lead finally to inflation.

It may seem ridiculous to write about this now when we are at present in such a great deflationary period, but just this very fact may hasten it, the same as it did in 1933. Of course, gold devaluation which was the great stimulant then is not likely to be repeated--at least, most economists agree that it is most unlikely, unless other countries should start it, which is not in sight at the moment. On the other hand many inflationary processes are taking plade at the present time, but they are so slow and stealthy that they are hardly being observed. One of them is the continued tremendous gold production, and while during the last few months our sterilized stock of gold has not been increased, nevertheless the gain for the year was over $1,200 million and in due course of time more gold will likely come to these shores, which will be bought with borrowed money. With the lack of business and new enterprises bank deposits are bound to increase and gradually people will get tired of having idle money in banks and will be seeking something to buy, which usually starts the ball rolling. Furthermore with decreases in revenues, deficits will pile up, as well as government debts. The government now collects practically a 15 per cent corporation tax and with taxes on undivided profits, and on the dividends which are being paid, she is a junior partner in virtually every big business to the extent of 20 per cent or more. With profits declining her income will decrease in proportion. Most possibilities for taxes which are politically possible, have been tapped already, so that although the desire exists now to do away either in total or in part with the undivided profits tax and the capital tax, none of the committees have as yet been able to discover any other suitable tax as a substitute.

There must be many others who feel the same way as we do, as while there has been a decline of over 40 per cent in stock averages, gold stocks have actually advanced and are higher than they were before the recession started.

Liverpool futures closed at a decline of 5/8 to 1 1/8¢ a bu, but this was largely due to the drop in our market and not to conditions of their own. There is no particular pressure on the part of exporting nations and the supplies at the present time abroad are quite moderate and will have to be replenished. We maintain this view althoug at present there are no signs of any export demand, but such conditions change often quite suddenly, and we believe after the New Year there will be at least a moderate demand for United States wheat. This is sincerely to be hoped for as the domestic milling demand is at a very low ebb. Northwestern mills reported last week sales of only 26 per cent of capacity, and the Southwest only 13 per cent. This, of course, can not continue for any great length of time, although only the most hopeful ones expect a big business before March 1st, as stocks seem to be quite plentiful among bakers and other consumers. Farmers continue to be reluctant sellers and primary receipts were 304,000 bu, exactly the same as last year when we had a much smaller crop and when supplies on the farms were very much lighter.

Stocks at Kansas City and Minneapolis so far for the week show a decrease of only 328,000 bu indicating that the visible supply next Monday will probably be reduced only very moderately. At the close the market showed a decline of 1 1/4¢ per bu for the day.

Corn receipts are only moderate considering the size of the crop and the time of the year, being 885,000 bu compared with 364,000 last season. The export demand at present is dull, but nevertheless prices are fairly well maintained, and we are still very hopeful that after the turn of the year a larger export business will develop.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 30, 1937.

With a steadier market and a more confident tone in Wall Street stocks today traders turned again to wheat statistics for their inspiration. Liverpool cables were a trifle higher than yesterday, futures there advancing 1/8 to 5/8¢ per bu.

Clearances from all exporting countries reported so far this week show only very small quantities. Russia did not ship a bushel; Black sea ports, only 488,000 bu compared with 944,000 bu last year; Argentine shipments are estimated at 1,322,000 bu against 4,183,000 bu a year ago. The only two important countries to hear from yet are North America and Australia. Therefore, it is quite evident that the total must be rather small, and that North America will have to furnish the bulk of it. Inasmuch as Canada has such small amounts to spare from now until the new crop comes on the market, about August 1st, great hopes still exist that the United States will be called upon to fill the gap, and during the next six months we anticipate a very fair export business. We must express our disappointment, however, that as yet there are no signs of doing it, and foreigners do not seem anxious to make bids or accept offers on hard wheats from the gulf, despite the fact that this is the kind they like the most.

There was some export business done from the Pacific coast; as there are large quantities of wheat left there for sale, no doubt part of the requirements will come from there, but the great bulk we believe will be hard wheat raised in the Southwest and usually transported via the gulf ports.

The movement from the farm continues to be extremely light, and if consumption for domestic purposes or export were anything like normal, primary receipts would hardly be sufficient for the needs. They amounted today to only 344,000 bu, while shipments were almost twice as much at 682,000 bu. The latter we think may be partly accounted for through heavy deliveries on December contracts at Kansas City, their December having been a big premium over the May. This wheat is now being shipped to the gulf ports with the hope that it will find ready sales in European markets later on. In any case, it will cause a temporary disappearance, and therefore we may have another fair-sized decrease in the visible supply on Monday.

So far this week, or for three days, stocks at Kansas City show a decrease of 629,000 bu.

Altogether there was a lack of incentive, and in view of the holidays and the many uncertainties to engage in new commitments the trade was extremely light. The open interest in wheat has now decreased to 93,593,000 bu versus 141,155,000 bu on August 20th. This shows very plainly that at the present time wheat has lost its charm as a speculative commodity. We have gone through such periods often before, but this is all likely to change as soon as greater opportunities are offered on either side of the market for traders to assume a position in this cereal where they can see clearer and may anticipate fluctuations which they believe will have to occur later on. At the close our market showed a decline of 1/8¢ per bu for the May future as compared with yesterday.

Primary receipts of corn were 1,156,000 bu against 295,000 bu in 1936, same period. More export business was reported. This steady demand from abroad leads some to believe that May corn, which is already selling at a premium over July, will gain more as time goes on. We, however, are of the contrary opinion. The crop raised this year was large enough to furnish sufficient quantities for export and yet will not prevent great accumulations later on, particularly in this market. The only justification for a premium would be if the belief were warranted that corn next May might become a very scarce article. This is not likely to occur, as we think at this price and with the large quantities which are still left on farms there will be a steady movement right along.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO December 31, 1937.

We wish you all a Happy New Year. We hope that the pessimistic feeling prevailing at the present time will gradually disappear during 1938.

There are a great many bright spots in the situation. Farmers are doing well and ought to be reasonably prosperous; the banking situation is as sound as it can be; there have been no new unseasoned floatations which have to be liquidated, and there has been no recent real estate boom. The population has increased since 1929, probably to the extent of 6 to 7 million, with only small additions to domestic homes, considering that many buildings became obsolete and were destroyed by fire; so there is plenty of room for activity in this direction. Our two best foreign customers are England and Canada, and both countries are doing comparatively well, leading us to believe that our export business which has gained lately will continue.

The Bank of Montreal in its circular of December 23 states that while there undoubtedly is evidence of some recession in business in certain sections of their country, none of them is serious, and hopes are cherished that Canada may not suffer repercussions from conditions at present prevailing in the United States.

The London Economist of December 18 mentions that the output of steel ingots and casting reached their record in November of this year. The total output of crude steel in 1937 is expected to reach almost 13 million tons compared with 12 million in 1936. Production of iron and steel materials show ahead of last month when they were three times as heavy as in November, 1936.

Many of our former crises started abroad. In 1929 the panic was precipitated by a collapse in Japan, when silk prices tumbled from an extremely high price. So far it looks as if Europe was willing to go ahead unless further disturbances follow from here. Furthermore, it should never be forgotten that our natural resources, developed and undeveloped, in this country are of such gigantic size, our spirit of enterprise is still with us, our laboratories and our inventive genius are busy trying to make new discoveries, which, if successful, will set people to work.

As an offset, we must recognize that we are now living in a country burdened with high taxes, when a generation before there were hardly any, at least they were so small that they were never felt. However, even this problem may be solved with prudence and care, as there is no limit to the new capital that might be created with good will and harmony. This problem is closely associated with the great unemployment question at the present time, so that if encouragement to the creation of new values is promoted, the employment solution follows almost automatically.

As far as the grain situation is concerned, it is most encouraging that after four years of short crops, when we were practically on a domestic basis, or in fact had to import cereals, we have now regained our position among the exporting nations,--this both in wheat, as well as in corn. As far as wheat is concerned, we have exported so far since July 1st, 35,000,000 bu, and it is generally estimated that about 50 to 60 million bu more will be wanted before July 1, 1938, of this year's raisings. This is all the more important, as the total of the importing nations since August 1st took 31,000,000 bu less wheat and flour than in the same period of the preceding year, so with a decreased demand from abroad we have been able to regain our position.

The way it looks at the present time world wheat supplies at the end of the season will be quite moderate, so if the farmer is permitted to continue to plant enough acreage so as to have sufficient quantities for home consumption and a surplus for export, we shall likely find good buyers for same.

(O V E R)

Trade today was extremely light, everybody preparing for the holidays, and the session also was a very short one, closing at 12:00 noon instead of the usual time of 1:15 P.M. After an early decline there was a moderate recovery, and the close was 1/8¢ per bu lower on the May wheat.

Primary receipts continue to be light --432,000 bu; no comparison can be made with last year when there was a holiday. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 963,000 bu, which leads us to the belief that the decrease in the visible supply on Monday will be larger than it was a year ago, when it amounted to 1,136,000 bu.

Corn receipts continue to be very fair --1,253,000 bu, but this cereal remains in a very strong position. While there was not much export business reported today, we are quite confident that there will be a big demand from abroad after the turn of the year. The official report places the amount of corn available for export in the Argentine at a little less than 18 million bu, or an average during the next fourteen weeks of 1 1/4 million bu per week. Should this prove to be true, shipments during the remainder of the season would be the smallest in thirteen years. There is no other country which can make up this deficiency on a large scale except the United States. Last year the amount available in the Argentine was 105 million bu.

UHLMANN GRAIN CO.